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DEPARTMENT OF INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
APPROPRIATIONS FOR 2016

Thursday, February 26, 2015

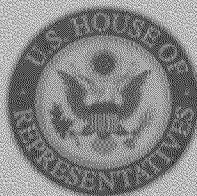
ENVIRONMENT PROTECTION AGENCY

ORIGINAL

Committee Hearings

of the

U.S. HOUSE OF REPRESENTATIVES



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11 ENVIRONMENT PROTECTION AGENCY

12 WITNESSES:

13 GINA MCCARTHY, ADMINISTRATOR, ENVIRONMENT PROTECTION AGENCY

14 DAVID BLOOM, ACTING CHIEF FINANCIAL OFFICER, ENVIRONMENT

15 PROTECTION AGENCY

16 Mr. CALVERT. Good afternoon and welcome to the fiscal
17 2016 budget hearing for the Environmental Protection Agency.
18 Before we begin I just wanted to let everyone know that we
19 are expecting votes at some time. I do not know what it is.
20 So I hope we can get through the opening statements before
21 then and hope that there are only two votes, so we will just
22 have a short recess and come right back. And so I would in
23 advance thank everyone for their patience.

24 Good afternoon and welcome for the fiscal year 2016
25 budget hearing for the Environmental Protection Agency.
26 Today we are joined by Administrator Gina McCarthy and Acting
27 Chief Financial Officer David Bloom to discuss the
28 President's proposal for EPA's FY 2016 budget. Welcome to
29 both of you.

30 Last year, the President proposed a budget operated
31 within the boundaries of the bipartisan Ryan-Murray Budget
32 Agreement that established how much the Federal government
33 could spend. That budget proposal offered some choices which
34 we agreed and many others which we did not agree.

35 This year, the President sent a budget to Congress that
36 substantial increases both the national debt and the deficit,
37 and fails to balance. Also with this year's budget the
38 administration has shown a willful ignorance for existing
39 spending caps by proposing to spend \$74 billion more than
40 what current law allows. It is out of bounds and it offers

41 unrealistic expectations for discretionary spending.
42 Therefore, I suspect that the policy decision will dominate
43 today's hearing given that there is little merit in
44 discussing the agency's proposed budget in depth.

45 EPA's budget request is 700 million more higher than it
46 was last year. I am skeptical that the agency needs 700
47 million more than last year's request, but that is an
48 additional 74 billion in the President's budget. It had to
49 be spent somewhere. If enacted, this would be EPA's third
50 highest budget ever, falling behind fiscal years 2010 and
51 2011, and we have no interest in returning to those spending
52 levels.

53 The agency is proposing to hire more lawyers to work on
54 more rules in what would be the largest regulatory budget
55 ever. Meanwhile, the budget again proposes cuts for water
56 infrastructure and Great Lakes funding.

57 Further, the budget again proposes to cut diesel
58 emission reduction grants despite the fact that only 30
59 percent of trucks and other heavy-duty vehicles have
60 transitioned to cleaner technologies. We need to follow the
61 science and increase funding for a DER Program to accelerate
62 the replacement of older engines with newer, cleaner engines.

63 So for a multitude of reasons, the President's budget is
64 not a serious proposal. It cuts bipartisan programs in order
65 to fund a partisan agenda. Thankfully, Congress will have

66 the final say.

67 Turning to policy, you may recall that we had a lengthy
68 debate last year about the proposed Waters of the U.S. Rule,
69 which I believed help alert the general public to several
70 critically flawed assumptions and proposals within the rule.
71 That debate has intensified, to say the least, throughout the
72 past year, prompting more than one million public comments on
73 the proposed rule and congressional direction to EPA and the
74 Corps of Engineers in fiscal year 2015 Omnibus to withdraw
75 the interpretive rule.

76 Also, debate has continued on the greenhouse gas power
77 plant rules, prompting some serious questions about whether
78 EPA had the legal authority to embark on what had been
79 proposed, and those legal questions remain unresolved. When
80 the President directed your agency in June 2013 to propose a
81 rule to regulate greenhouse gases from existing power plants
82 by June 1, 2014, and it is clear that the White House has
83 little interest in how the rule is structured. What the rule
84 says are the impacts to American jobs. The White House is
85 more interested in circulating a regulation on a timeframe
86 that is convenient for a term-limited administration.

87 Similarly, when the White House directs you to finalize
88 a regulation by June 1, 2015, then I question whether the
89 administration has any interest in giving you the time you
90 need to incorporate what the States and public have to say.

91 The White House has locked your agency into an arbitrary
92 deadline in order to lock the rest of the country into yet
93 another bad decision on its watch.

94 Just last month, the agency indicated that more time was
95 needed to review more than one million comments on the
96 greenhouse gas rule. And shortly thereafter, some groups
97 criticized EPA for stalling. The June 1st deadline is a
98 manufactured deadline. The agency is trying to do too much
99 too fast and the consequences will be too costly.

100 So we disagree in the strongest possible terms with the
101 agenda this administration has adopted for your regulatory
102 programs. This anti-job, pro-regulatory scheme has forced
103 the agency to set aside day-to-day permitting operations
104 consistent with your statutory responsibilities in order to
105 pursue a grossly unpopular agenda that, if implemented, would
106 be devastating to our national economy.

107 You have a tough job, Administrator McCarthy, and I know
108 you are going to have to defend the indefensible here today.
109 We all want clean air and clean water and a strong, robust
110 economy. It is not a Republican or Democratic issue, and I
111 know that is something you have often said. We both want to
112 help the environment and job creation, and we just disagree
113 on the best way to achieve those outcomes, but it starts by
114 living within our means. The people I represent in
115 California have to live on a budget that reflects what they

116 | can afford and so, too, does the Federal government.

117 | Now, I know all the Members are interested in discussing
118 | various issues with you today, so I will save additional
119 | remarks for the period following your testimony. I am
120 | pleased now to yield to my friend and our distinguished
121 | Ranking Member, Ms. McCollum.

122 | [The information follows:]

123 | ***** COMMITTEE INSERT *****

124 Ms. MCCOLLUM. Thank you very much, Mr. Chairman. And I
125 join you in welcoming Administrator McCarthy to the
126 subcommittee this afternoon.

127 The Environmental Protection Agency has a vital and
128 important mission: protecting human health and the health of
129 our environment. And that means clean air, clean water for
130 our families and for our children.

131 The EPA does not exist to kill jobs. Rather, the EPA
132 plays a critical role in our economy. The EPA does this by
133 leveling the playing field, ensuring that honest, hardworking
134 men and women and their families who do have livelihoods are
135 not putting their lives at risk by unscrupulous polluters.
136 It also provides clear and consistent regulation to tackle
137 complex issues across State and national borders.

138 In 1990, Congress amended the Clean Air Act so that the
139 EPA could address acid rain, urban air pollution, and toxic
140 air commissions. Through a coordinated effort with industry,
141 State and local governments, the EPA has made substantial
142 progress in all of these areas. Nationwide air quality has
143 improved significantly and there has been a dramatic
144 reduction in the effects of acid rains in our community.

145 The EPA succeeded in addressing some of this country's
146 most intractable environmental challenges and now it must
147 turn its attention to the most pressing environmental crisis
148 of our generation, climate change. The effects of climate

149 change are real and they are being felt by Americans every
150 day. According to NASA, climate change is causing drought,
151 increasing forest fire frequency in the west and flooding in
152 the Midwest and declining water supplies in the Southeast.
153 In fact we are spending more and more money in other parts of
154 the interior bill to cope with the devastating effects of
155 climate change.

156 Since 2013, fire costs have risen in the interior bill
157 by \$1.5 billion. In addition to that, in fiscal years 2013
158 and 2014, we also had to provide over \$1 billion to pay
159 for--to repay fire costs in previous years because the fire
160 has outpaced the appropriated amounts. It's raging wildly.

161 It makes no sense for us to short change the EPA or the
162 funds necessary to address the challenges of climate change
163 when a strong interior budget depends upon reducing
164 disastrous impacts on climate change. The president's fiscal
165 year 2016 budget requests \$8.59 billion for the EPA. That
166 amount is \$451 million above fiscal year 2015.

167 Administrator McCarthy, it is very encouraging for me
168 that this is the first time that the EPA is requesting an
169 increase in its appropriation. With the way that the EPA has
170 been targeted for cuts over the past decade, this increase in
171 my opinion is desperately needed. Adjusting for inflation,
172 even the requested increase would still put the agency more
173 than \$1 billion below its funding level in 2005. I want to

174 say that again. Even adjusting for inflation, we're now at
175 2005 funding levels in 2015, a lost decade.

176 The EPA has been significantly constrained by
177 sequestration and has weather furloughs and significant
178 workforce reductions. And currently the EPA staff is at
179 historic lows, equalling those of the 1980s. The EPA's
180 proposed budget in other areas is for important investments,
181 dedicating \$85 million to addressing the threat from climate
182 change and providing an additional \$105 million for grants to
183 states and tribes, so that they can implement their own
184 environmental programs.

185 I'm particularly pleased to see an additional \$30
186 million has been proposed for brown fields and redevelopment.

187 This funding provides an opportunity for communities to
188 clean up pollution and toxins in their neighborhoods and put
189 brown field sites back into productive use and create jobs.

190 Conversely, I am concerned though that the
191 administration is backing off its commitment to the Great
192 Lakes by proposing a \$15 million cut from the Great Lakes
193 Restorative Initiative. The Great Lakes Restorative
194 Initiative has made measurable strides in protecting and
195 restoring the Great Lakes' ecosystem. As a result of this
196 funding, approximately 100,000 acres of habitat have been
197 protected or restored. Twenty-one benefit use impairments
198 have been removed, and almost triple the number removed by

199 the preceding two decades.

200 President Obama's pledge of \$5 billion for the Great
201 Lakes Initiative during his time in office--however I would
202 point out, just under \$2 billion has been appropriated. So
203 we're far from achieving the president's target. Much work
204 remains to be done. So I'm very concerned about the proposed
205 cut. This program is one of the few EPA programs that enjoys
206 great bipartisan support. So I look forward to working with
207 the chairman to resolve these cuts. Mr. Chairman, I thank
208 you for the hearing today. I look forward to working with
209 you, to do our part in tackling our nation's most pressing
210 environmental needs. And with that Sir, I yield back.

211 [The information follows:]

212 ***** COMMITTEE INSERT *****

213 Mr. CALVERT. I thank the ranking member and we're
214 pleased to announce our chairman of the full Appropriations
215 Committee, Chairman Rogers is here with us today. Thank him
216 for taking time to be here Chairman. Would you like to make
217 any opening remarks?

218 Chairman ROGERS. I would Mr. Chairman. Thank you very
219 much and thanks for doing a great job of chairing this
220 important subcommittee.

221 The Environmental Protection Agency was created for the
222 purpose of protecting human health and the environment by
223 writing and enforcing regulations based on laws passed by the
224 Congress. States like Kentucky have benefited for a number
225 of partnerships with EPA over the years. For example, your
226 agency has provided much needed grants aimed at preventing
227 radon related lung cancer in Eastern Kentucky.

228 You've also worked collaboratively with the Kentucky
229 Rural Water Association to ensure the cleanliness of our
230 drinking water and upgrade waste water systems. My
231 constituents and I have been supportive of these programs and
232 our partnership in these efforts for years, and we'd like to
233 see them continue.

234 However, the EPA also have the ability to regulate a
235 broad swathe of economic activity in the country, from
236 mining, to drilling, to farming. Each of these industries is
237 fighting every day to manage the onslaught of federal

238 regulations promulgated by the EPA. These industries are
239 critical to the national economy. This is why I found myself
240 year after year, having to take deliberate steps to protect
241 these industries and their jobs from the draconian actions
242 the EPA has carried out.

243 The activities that you regulate sustain thousands of
244 families and communities across the country. So it's
245 important that we get things right here in Washington. That
246 starts with setting the right priorities in the budget.
247 Despite the fact that Congress on a bipartisan basis has
248 reduced your budget request for five consecutive years, the
249 fiscal year 2016 request we're considering today, if enacted,
250 would be the third largest in EPA history.

251 And if that wasn't enough, the budget request also
252 includes \$4 billion in new mandatory spending, to implement
253 the greenhouse gas regulations that are shuttering power
254 plants all over the country and causing coal mines to close.
255 Any proposal involving mandatory spending programs, as you
256 know, requires legislative action, outside of this
257 committee's jurisdiction.

258 And you know as do I, that that's not a real proposal
259 until it's authorized. As I've expressed to you many times,
260 I continue to be disappointed with the way this agency
261 approaches its regulatory mission. I simply cannot accept a
262 6 percent increase in your funding, when by all accounts the

263 EPA is still working hard to eliminate more steady, well
264 paying jobs in the coal industry.

265 This administration's attack on coal country has left
266 9000 miners jobless and just made history, just since the
267 president took office. And while it's refreshing to see the
268 administration take ownership of these devastating losses in
269 coal country through its so-called Power Plus Plan, the
270 president is missing the point. For centuries this country
271 has run on coal. Businesses large and small rely on cheap,
272 reliable energy to remain competitive in the world and at
273 home.

274 Drawn out rule making processes and bureaucratic
275 overreach, create uncertainty that will inevitably raise
276 energy costs and threaten American jobs. Not to mention the
277 threat of brownouts and blackouts in the power of America's
278 grid. For the life of me, I can't understand why you
279 continue to wage this war, despite the outcry from Congress
280 and the American people, in the name of climate change,
281 global warming. I remind you that just this past week in my
282 district in the middle south of the country, we had two
283 consecutive nights of 17 below zero with a foot and a half of
284 snow on the ground. Been there for a month or more.

285 Global warming? Not only is EPA appending the
286 permitting process for new applicants. The agency is now
287 retroactively denying permits that the core had already

288 approved years before. How can an American business operate
289 in that kind of an environment? Knowing that this agency
290 could shut down their operation despite their adherence to
291 regulatory requirements?

292 That comes on top of looming proposals to shut down coal
293 fired power plants by creating standards that can only be met
294 by employing technology that's not yet available. It's
295 impossible. Now we have before us your budget request
296 calling for the largest regulatory budget ever for your
297 agency, so it can continue to carry out these wrong headed
298 policies.

299 I'm even more concerned about your efforts to redefine,
300 "waters of the US." And expand your regulatory jurisdiction
301 over thousands of streams and tributaries across the country.
302 Since your agency proposed this new rule around this time
303 last year, you've received almost one million comments on
304 that subject. These comments are from cities, states,
305 businesses, coal miners, utility providers, farmers,
306 countless other industries, all concerned about the potential
307 impact of this rule on their livelihood.

308 Assistant Secretary of the Army for Public Works,
309 Jo-Ellen Darcy testified here two weeks ago that the
310 overwhelming majority of these comments were made in
311 opposition to your proposal. Roughly 60 percent in fact. A
312 large part of this criticism stems from the level of

313 | uncertainty that this proposed rule has generated.

314 | Supposedly this proposal was issued to clarify
315 | jurisdictional boundaries for property owners and governing
316 | bodies. In reality it's done just the exact opposite. This
317 | committee has been consistently asking for more clarity on
318 | some of the terms utilized in the proposal, such as
319 | "tributary, ephemeral stream," but we haven't got that yet.
320 | And that's all important.

321 | We just continue to hear promises from your agency that
322 | answers are forthcoming. That you'll get them to us. Well,
323 | our employers in the country can't do business with this kind
324 | of uncertainty. Employees in the mining industry certainly
325 | can't get peace of mind as jobs continue to disappear all
326 | around them due to this agency's policies.

327 | These topics are critical to the survival of thousands
328 | of families throughout the area that I represent and all of
329 | Appalachia and other energy producing regions across the
330 | country. I look forward to hearing your testimony and
331 | hearing how you plan to work with the states and with
332 | employers in the country to get our energy economy moving
333 | again. Thank you.

334 | [The information follows:]

335 | ***** COMMITTEE INSERT *****

336 Mr. CALVERT. Thank you Mr. Chairman and thank you again
337 Administrator McCarthy for being here to testify today.
338 Please share with us your thoughts regarding EPA's proposed
339 budget for its fiscal year 2016.

340 Ms. MCCARTHY. Thank you Chairman Calvert, ranking
341 member McCollum and members of the committee. I appreciate
342 the opportunity to appear before you to discuss the
343 Environmental Protection Agency's proposed fiscal year 2016
344 budget, and I'm joined by the agency's acting Chief Financial
345 Officer David Bloom.

346 The EPA budget of \$8.592 billion in discretionary
347 funding for the 2016 fiscal year provides the resources that
348 are vital to protecting human health and the environment,
349 while building a solid path for a sustainable economic
350 growth. Since 1970 when Environmental Protection Agency was
351 founded, we have seen over and over again that a safe
352 environment and a strong economy go hand in hand.

353 This budget supports essential work to address climate
354 change, improve air quality, protect our water, safeguard the
355 public from toxic chemicals, support community's
356 environmental health, maintain core enforcement strength,
357 support needed research and work towards a sustainable future
358 for all Americans. Effective environmental protection is a
359 joint effort of the EPA, states and our tribal partners.

360 We're setting a high bar for continuing our partnership

361 efforts in looking for opportunities for closer collaboration
362 in targeted joint planning and government processes through
363 efforts like e-enterprise governance approach. That's why
364 the largest part of our budget, \$3.6 billion or 42 percent,
365 is provided directly to our state and tribal partners.

366 The fiscal year 2016 request includes an increase of
367 \$108 million for state and tribal categorical grants. This
368 budget request, \$1.1 billion to address climate change and to
369 improve air quality. Those resources will help those most
370 vulnerable to climate impacts and the harmful health effects
371 of air pollution through common sense standards, guidelines,
372 as well as partnership programs.

373 Climate change is not just an environmental challenge.
374 It's a threat to public health, our domestic and global
375 economy and our national and international security. The
376 request supports the president's Climate Action Plan and in
377 particular, the Clean Power Plan, which establishes carbon
378 pollution standards for power plants.

379 In addition, the president's budget calls for a \$4
380 billion Clean Power State Incentive Fund to support state
381 efforts to accelerate carbon pollution reductions in the
382 power sector. Protection the nation's waters remains a top
383 priority for the EPA. In fiscal year '16, we will finalize
384 and support the implementation of the clean water rule, which
385 will clarify types of waters covered under the Clean Water

386 Act and foster more certain and efficient business decisions
387 to protect the nation's waters.

388 Recognizing the need for water infrastructure, the SRF's
389 and related efforts are funded at over \$2.3 billion, and we
390 will work with our partners to help communities by focusing
391 on issues such as financial planning for future public
392 investment infrastructure investments and expanded efforts
393 with states to identify financing opportunities for resilient
394 drinking water, waste water and storm water infrastructure.

395 Last month the agency a Water Infrastructure and
396 Resiliency Finance Center, a key component of our expanded
397 effort. We are proposing a multifaceted effort to help our
398 communities, including low income neighborhoods, rural
399 communities and communities of color. This includes
400 targeting funding in on the ground community assistance
401 through EPA's regional coordinators in a network of circuit
402 riders.

403 An investment of \$16.2 million will help local
404 communities improve safety and security at chemical
405 facilities and to prevent and prepare for oil spills. These
406 efforts represent a shared commitment, among those with a
407 stake in chemical facility safety and security, ranging from
408 facility owners to our first responders.

409 The fiscal year 2016 budget request will let us continue
410 to make a real and visible difference for communities every

411 day. It will give us a foundation to improve infrastructure
412 across the country, and it will sustain state tribal and
413 federal environmental efforts across all our programs.

414 With this budget, the president is not only sending a
415 clear signal about the resources EPA needs to work
416 effectively and efficiently with states and tribes to protect
417 public health and the environment, it is also part of an
418 overall federal budget proposal that does not accept the bad
419 public policy embodied in sequestration and does not hold
420 back needed resources in non-defence spending in order to
421 increase needed defence spending or vice-versa.

422 Instead the president's proposed fiscal year 2016 budget
423 finds a path forward to avoid sequestration and properly
424 support both domestic and national security interests. Mr.
425 Chairman, I thank you for the opportunity to testify, and I
426 look forward to answering your questions.

427 [The statement of Gina McCarthy follows:]

428 ***** INSERT 1 *****

429 Mr. CALVERT. Thank you for your testimony. First we're
430 going to recognize the chairman of the full committee, Mr.
431 Rogers.

432 Chairman ROGERS. Thank you Mr. Chairman. Let me talk
433 to you a bit about Waters of the US proposed rule. EPA has
434 been driving the ship on this effort and in effort with the
435 Corps to redefine Waters of the U.S. under the Clean Water
436 Act. That new rule would constitute the largest increase of
437 federal jurisdiction over our country's public and private
438 water ways in history, even allowing federal regulators to
439 police so-called seasonal or rain dependent streams.

440 In the omnibus bill that we are operating under now, we
441 included a bipartisan provision requiring the Corps and EPA
442 to withdraw certain portions related to agriculture. And
443 just yesterday our colleagues in another house committee had
444 some very strong words about the onslaught of federal
445 regulations coming from EPA and other agencies that constrain
446 how we mine coal in this country, how we burn coal, even how
447 we will export coal to developing nations in desperate need
448 of affordable, reliable energy options.

449 Obviously, many have concerns that you're circumventing,
450 Congress clear opposition to these extreme environmental
451 regulations, and considering that your budget requests
452 includes millions of additional dollars for lawyers to defend
453 and litigate these rules. I think it's fair to assume from

454 | that that you're also concerned about their legality.

455 | Despite these concerns and despite the strong criticism
456 | from Congress and the public, your testimony today maintains
457 | that the EPA's clean air and clean water rules are actually
458 | helping the U.S. economy. Can you explain, ma'am, how these
459 | rules are helping the 9000 laid off miners in my district who
460 | are now out of work?

461 | Ms. MCCARTHY. Well, sir, the efforts that you
462 | identified are part of EPA's efforts to both reduce pollution
463 | that is impacting public health and damaging the environment,
464 | but to do it in a way that actually is very cost-effective,
465 | that is reasonable, that's appropriate and that continues to
466 | recognize the great need to continue to grow this economy and
467 | jobs.

468 | And over the course of EPA's history, since 1970, we
469 | have reduced air pollution by 70 percent while the GDB has
470 | tripled. And we are looking in each and every major rule to
471 | ensure that we do it in a way that is specifically cognizant
472 | of reliability and affordability of our energy system, as
473 | well as impacts to the local economy and to jobs as well. So
474 | we are doing our best to protect public health in a way that
475 | is consistent with a growing and sustainable economy.

476 | Chairman ROGERS. Well, the proposed Waters of the U.S
477 | Rules was put forth, allegedly, to alleviate confusion over
478 | jurisdictional boundaries. However, this proposal, which I

479 call the largest jurisdictional grab in recent history, seems
480 to have only created more confusion over what will and will
481 not be excluded under federal jurisdiction.

482 Industries and private landowners are alarmed that
483 nearly every tributary would now be heavily regulated. And
484 if they wanted to try to use some of that land for a shopping
485 center development or a farm or a covert on a farm or an
486 irrigation canal or the like, they would have to come to D.C.
487 to get a waiver or some sort of license or permission to
488 proceed. No wonder they're confused and scared and
489 frightened. I mean that's an alarming possibility for almost
490 every American.

491 Are you planning to maintain your definition of terms
492 that have contributed to that confusion, such as a famarol
493 streams ? Is that the way you say it?

494 Ms. MCCARTHY. Famarol.

495 Chairman ROGERS. Can we expect any clarifications on
496 these broad terms that seems to include just about every body
497 of water, it seems to me, so far.

498 Ms. MCCARTHY. Let me try to clear up a few things,
499 Jim. And first of all, we believe that this is actually not
500 an expansion of jurisdiction, and I think we can show that.
501 I do know there has been confusion. One of the reasons to do
502 this Rule was to respond to many requests for clarity and for
503 consistency. We have received a lot of comments on the Rule.

504 And if I could just clarify one thing, I know in your
505 opening remarks you mentioned about the breakdown of positive
506 and negatives in terms of our response.

507 I just wanted to clarify that I know that Assistant
508 Secretary for the Army, Jo-Ellen Darcy, will be responding to
509 this and she is going to be clarifying the record. Actually,
510 87 percent of the comments we have received have been
511 supportive. So I just want you to know that we've done an
512 extensive outreach on this.

513 We will look at all the comments that came in. But
514 recognize we are also continuing with the exemptions, like
515 for irrigation return flows and those things that are in the
516 current Rule. So we are not limiting any of those
517 exemptions. We're trying to provide clarity here, not
518 regulate land, but regulate waters that are necessary to
519 protect drinking water and our natural resources.

520 Chairman ROGERS. My understanding is that 60 percent of
521 this, so almost a million responses, almost 60 percent have
522 been negative.

523 Ms. MCCARTHY. I can't explain the numbers that
524 Jo-Ellen provided but she will be clarifying this. My
525 understanding is we have received a total of 1,046,217
526 comments. 87.1 percent were positive. Some were neutral,
527 very small. Some were opposed in the total of 12.4. And so
528 far, we are still categorizing just a little bit over 4100 of

529 | those. So that's the breakdown I have up until now. And as
530 | you can see, the ones that we are still looking at wouldn't
531 | tip the scale much.

532 | Sir, it doesn't mean that there aren't a lot of comments
533 | and questions that are coming in from this rule and that we
534 | won't be properly looking at those in doing our best to
535 | clarify as much as possible, because we will. There's a
536 | responsibility for EPA to do that and we will take our
537 | responsibility very seriously and make sure that when this
538 | rule goes out, there's significant clarity beyond what's been
539 | proposed brought to this issue.

540 | Chairman ROGERS. It's incredible to me how the EPA and
541 | the Corps look at the same data, the same responses and come
542 | to two vastly different interpretations. I mean one of you
543 | is wrong.

544 | Ms. MCCARTHY. I think one of us might've had a subset.
545 | But I will let Jo-Ellen speak to that issue, if I could,
546 | when she comes to you. But I do know that the Corps and EPA
547 | have been working hand-in-hand on this rule since day-1
548 | because we both recognize that additional clarity is
549 | essential, not just for the agencies to appropriately
550 | implement the Clean Water Act, but for our outside
551 | stakeholders who need to be certain that they can farm and
552 | ranch the way they've always done that and in a way that's
553 | protective of the natural resources that we both value so

554 highly.

555 Chairman ROGERS. How would you go about determining
556 exactly which kinds of tributaries, streams or even ditches,
557 dry ditches, would be classified as either exempt or as part
558 of your jurisdiction? How do you go about that? I mean we
559 are talking hundreds of thousands of streams and bodies of
560 water and dry gulches that get water once every 20 years or
561 less. How do you go about doing that?

562 Ms. MCCARTHY. Well, I think it's done in two ways.
563 It's done by providing clarity about the information that we
564 have available to us, the science that tells us what rivers
565 and streams and tributaries need to be protected in wetlands
566 in order to make sure that our navigable waters aren't
567 significantly impacted. And that means that we need to look
568 at them and determine what type of mitigation, if any, is
569 necessary. Beyond that, it's done, and in the vast majority
570 of cases today, on a case-by-case basis. It's done by
571 calling the Corps and by looking at these issues.

572 And what we are attempting to do was provide a lot more
573 up-front clarity and provide enough direction so that people
574 understand what rivers and streams are important for drinking
575 water protection, for flood control and a variety of other
576 functions that these resources provide so that they
577 themselves can understand where they are, where they need to
578 be more cautious and where we need to work together to make

579 sure that those waters are protected.

580 Chairman ROGERS. Well, just in my mountainous Kentucky
581 district, there are thousands of little creeks and streams
582 and rivulets flowing through private property, alongside
583 private property, tens of thousands of them. How would that
584 farmer that lives on Buck Creek in Pulaski County, how is he
585 to know whether or not he needs to come up here and get your
586 permission?

587 Ms. MCCARTHY. Well we are doing our best to define
588 that. I think that, from my standpoint, if a farmer was
589 relied on by exemptions in the current rules, they can rely
590 on those very same exemptions today. If they needed a permit
591 yesterday, they can rely on that, as well. What we tried to
592 do is to look at the science, Mr. Chairman, which is what we
593 were directed to do. And the science is very clear in some
594 areas, and we make that clarity known and we will in our
595 final rule.

596 In other areas, we know what to look for. For example,
597 if a small river is only flowing intermittently and at
598 famarol stream, if it doesn't have all of the designations,
599 all of the characteristics like an ordinary high-water mark
600 and it doesn't have the kind of characteristics that indicate
601 that the duration, the frequency in flow is there
602 sufficiently to have an impact downstream, then it would not
603 be a waters of the U.S. So we are trying to identify those

604 characteristics.

605 Chairman ROGERS. Why do we need to change the way we
606 are doing business now?

607 Ms. MCCARTHY. Because we are missing things and
608 because people are confused. I think you saw some of that
609 when the proposed rule went out. People didn't understand
610 what was currently, clearly jurisdictional and what has been
611 jurisdictional for decades. And then there were areas where
612 people were unsure. There's a lot of effort spent on
613 case-by-case analyses and case-by-case mitigation that people
614 expect to have to pay for when that's just not the case.

615 So it's an opportunity for us not only to be clearer
616 from our perspective, but to also send a clearer signal for
617 businesses about when they can pass go without having to move
618 through EPA or the Corps. And that's, I think, an important
619 cost savings to consider here.

620 Chairman ROGERS. I think you're into a really big-time
621 briar patch that's going to be really difficult, impossible,
622 I think, to do. Not to mention that it's infringing on
623 private property rights, states' rights and the like. Even
624 our military bases are concerned that they can't use the land
625 they have to operate and train.

626 Ms. MCCARTHY. Well, one of the things that we did
627 after the proposal went out, it was pretty clear that people
628 were confused by some of the language, not understanding what

629 the agency's intent was. And we, as a result of that, did
630 400 public meetings. And we also reached 2,500 individuals.
631 We did all that we could before and after the proposal went
632 out to make sure that we were listening to the states, that
633 we were listening to all of the key interests here. And I
634 think we've received considerable comments that will help us
635 provide a path forward.

636 But as you suggest, this is not an easy rule. If it
637 were easy, it would've been done--we are talking about a law
638 that's over 43 years old. It would've been done before if it
639 was easy. But court rulings continue to confuse this and
640 challenge us, and we need to be better. And this is an
641 attempt to make sure that we are protecting what we need to
642 protect and we are sending a clear signal on all the other
643 waters that don't fall within those categories.

644 Chairman ROGERS. Mr. Chairman, I have other questions
645 I'll delay until later.

646 Mr. CALVERT. Thank you, Mr. Chairman. Ms. McCullum?

647 Ms. MCCOLLUM. Thank you. Administrator McCarthy, I
648 have an issue that I feel very strongly about, as do many
649 members on this subcommittee. And it's a
650 government-to-government relationship between federal
651 agencies and sovereign tribal nations.

652 As you know, Minnesota and across the Great Lakes
653 Superior Basin, mining companies are seeking opportunities to

654 mine cooper and nickel, which is a very high potential to
655 contaminate our waters. For tribal nations in Minnesota,
656 wild rice is a traditional crop with important economic,
657 sacred and cultural significance. Let me be clear.

658 Without the full consultation and consent of impacted
659 tribal nations, the EPA should not even consider lowering
660 water quality standards for wild rice. Instead, the EPA
661 should be promulgating a wild rice water quality rule across
662 the Great Lakes Basin with full consultation with tribes.
663 This, for many of us on this committee, is an issue of fully
664 honoring and respecting treaty rights with sovereign tribal
665 nations. And I just wanted to clear up any confusion that
666 there might be about respecting nation-to-nation agreements.

667 Last summer, the EPA rolled out the Clean Power Plan,
668 which will help cut carbon pollution from America's largest
669 source power plants. Power plants contribute one-third of
670 the nation's greenhouse gases emissions, and limiting their
671 carbon pollution is vital to reducing the impact on climate
672 change.

673 Part of the Clean Power Plan, the EPA proposed two rules
674 to regulate carbon emission from power plants. Could you
675 please let us know if the EPA is on track to finalize its
676 power plants rules this summer? And these rules require
677 states to submit compliance by 2016 in the summer. So over
678 the next two years, how will the EPA be working with states

679 to help them develop these plans?

680 And then a concern that I have is, the past few years
681 the subcommittee has included a Ryder that prohibits the EPA
682 from using funds to regulate greenhouse gasses and power
683 plants. Thankfully, this Ryder has been dropped each year.
684 But if it were to be enacted, would states still be required
685 to submit plans, regardless of the Ryder, and would you be
686 prohibited from helping states with their plans? Because the
687 state of Minnesota is very eager to work to do what we can to
688 improve our air quality.

689 Ms. MCCARTHY. Well thank you, ranking member. First
690 of all, we are on track for a midsummer effort to finalize
691 the Clean Power Rule. That will be moving forward.

692 In terms of assisting states, we are doing it in a number
693 of different ways. First of all, we have part of the
694 increase that you see, and our budget is to help set aside
695 \$25 million to actually provide to states themselves so they
696 can work on these plans effectively.

697 We also have additional funds that we are requesting so
698 that we can have, and that's in the order of \$25 million that
699 we can have an increase in our staff to be able to respond to
700 the needs of the states. We can have the tools and the
701 technologies and the on-site technical assistance to help
702 states and tribes develop proposals. I should've just said
703 states. I apologize.

704 And then we also have a proposal that the president's
705 put in, that would be a \$4 billion plan to actually support
706 the states who want to either move faster or farther. So
707 that is all in the proposal as the proposed Fiscal Year 16
708 budget.

709 And we are also looking at additional part of the legal
710 staff issues as to make sure that there is no bottle-neck in
711 our ability to provide good advice and to look at all of the
712 rules, as well as the permits across the agency that are not
713 moving as quickly as we can because we don't have the
714 resources assigned. And so, we are looking at beefing that
715 up so that permits can go more quickly, approvals of these
716 plans can happen more quickly.

717 The last issue is on the Ryder. If that Ryder should be
718 proposed and succeed, the states would still be required to
719 submit those plans. EPA would be precluded from providing
720 resources and helping them the way that this proposal is
721 looking to do because we are in partnership with the states
722 on this effort. And we have been in partnership with them
723 before, during and after the close of this comment period, or
724 even the development of this proposal, and I want to keep it
725 that way.

726 It is a collaborative approach that is enormously
727 respectful of state needs and I want to make sure that we
728 continue to work with them in partnership.

729 Ms. MCCOLLUM. Thank you. And Mr. Chairman, I'll leave
730 the Great Lakes question to Mr. Joyce, unless we miss it, and
731 I'll catch it on the second round. Thank you.

732 Mr. CALVERT. Thank you. Administrator McCarthy, over
733 the past years, I believe, you've fielded every question
734 imaginable regarding agencies Proposed Water of the U.S.
735 Rule, and you've tried hard to clarify what the rule does and
736 what it does not do. Unfortunately, a year later, I believe
737 we are even less confidence in what the Rule purports to do.
738 If anything, it clarifies that more water bodies will be
739 regulated, resulting in more EPA permits.

740 You just testified that, of the one million comments,
741 you believed 87 percent were positive responses where the
742 Corps said that almost 60 percent were negative responses.
743 So obviously, the two agencies are confused and can't agree
744 on what the comments even say. So it's my hope that the EPA
745 would heed these comments, withdraw the proposed Rule and
746 identify where there is common ground before taking
747 additional actions. So on that score, does the EPA plan to
748 repropose the rule after it's finished reviewing and
749 incorporating the comments received on the Rule?

750 Ms. MCCARTHY. Well, we have had significant
751 opportunity to review the comments and we believe that we can
752 finalize this Rule that is very respectful of the comments we
753 received. And that is what we intend to do, sir.

754 Mr. CALVERT. So what's the opposition to just
755 withdrawing and reproposing the revised Rule?

756 Ms. MCCARTHY. Because we have waited now with a
757 statute that's 44 plus years old. And I think we have been
758 asked to do this. We have been requested by, not just
759 members of Congress, by states to actually do a rule-making
760 to provide this level of certainty. And we believe that we
761 should respond to those requests and make sure that we are
762 protecting the drinking water--

763 Mr. CALVERT. Because I understand the majority of the
764 governors in the United States are opposed to this.

765 Ms. MCCARTHY. I'm not aware of what figures that you
766 may have available. I feel badly that there's confusion
767 about how we've bucketed these rules into what's positive or
768 negative. I will tell you that Assistant Secretary Darcy
769 will respond to this, but my understanding is that all they
770 had completed was a review of two percent. And I don't know
771 what two percent they chose of the comments, but I do know
772 that we have fully looked at them and we are happy to share
773 the information and we'll make sure that the corrections are
774 in the record.

775 Mr. CALVERT. Well, certainly, from my perspective, I'm
776 very sympathetic to small businesses.

777 Ms. MCCARTHY. Me too.

778 Mr. CALVERT. And a comment submitted to EPA in October,

779 the Small Business Association believes that EPA should have
780 conducted a small business advocacy review panel prior to
781 releasing the waters of the U.S. rule. The Small Business
782 Administration recommends that EPA withdraw the proposal and
783 conduct a panel prior to proposing the rule, re-proposing the
784 rule. How do you intend to respond to those comments from
785 the Small Business Association to conduct the small business
786 review panel prior to taking additional steps on this rule
787 making?

788 Ms. MCCARTHY. Well, it actually was comments received
789 by the SBA's Office of Advocacy, and we had worked both with
790 the SBA as well as with our Office of Management and Budget
791 that actually dictates what rules need to have a panel
792 established and what ones do not, and we followed their
793 direction. But we have done extensive outreach to small
794 businesses and I would be happy to provide that to you,
795 because we believe that it was the correct decision to move
796 forward, but certainly that did not mean our obligation to do
797 outreach to the small business community and make sure that
798 their comments were heard and that we provide whatever
799 clarity we need to assure them of that.

800 Mr. CALVERT. Well, Administrator, it seems that no
801 matter what the comments are, no matter what the opposition
802 may be, this train is on the track it seems to me.

803 Mr. Israel, you are recognized.

804 Mr. ISRAEL. Thank you, Mr. Chairman. Administrator
805 McCarthy, I want to talk to you about the Long Island Sound,
806 something that is not just important to me as a
807 representative from Long Island, but important to the entire
808 nation. It is a \$9 billion generator of economic activity;
809 it is a critical estuary that is important to our ecosystems
810 and to our national environment. For the past few budget
811 cycles the Long Island Sound has been funded at about \$4
812 million, and this year the President's budget requests a
813 little less than \$3 million. Members on both sides of the
814 aisle who represent the Long Island Sound area have long
815 believed that the minimum level of funding to preserve and
816 protect the Sound, not just environmentally but economically,
817 is about \$10 million, and that is what we have been pushing
818 for. Can you tell me the kind of effect the reduction in the
819 budget will have on Long Island Sound restoration and
820 protection efforts if that lower figure is what is included
821 in whatever funding proposal we settle on this year?

822 Ms. MCCARTHY. Well, first of all, Congressman, I share
823 your love for Long Island Sound. It is one of my favorite
824 water bodies as well and I understand how precious it is and
825 how challenging it is to have that many people living on your
826 shores. I do not have exact figures on how the Long Island
827 Sound Committees that are looking at this will manage on a
828 tighter budget. I will say that difficult decisions were

829 made in this budget despite the fact that we are requesting
830 more resources and will be working with the adjoining states
831 and with all of the study groups to make sure that we can
832 prioritize effectively under this type of a budget
833 constraint.

834 Mr. ISRAEL. Well, I would invite you to Long Island to
835 meet with our stakeholders and member of the bipartisan Long
836 Island Sound caucus. Again, both sides of the Sound, but
837 also both sides of the aisle, and hope that we can work
838 together with you on passing the Long Island Stewardship and
839 Restoration Act, again a bipartisan bill. Congressman Peter
840 King is one of my co-sponsors. I hope we can work together
841 in getting that passed and reauthorizing that program. So we
842 will send an invitation to you to come to Long Island. I
843 will even give you some good pizza while you are there.
844 Thank you.

845 Ms. MCCARTHY. I appreciate the invitation.

846 Mr. CALVERT. Thank you, gentlemen. You can bring pizza
847 to this Committee sometime and share it.

848 Mr. ISRAEL. Done deal.

849 Mr. CALVERT. Mr. Simpson.

850 Mr. SIMPSON. Thank you, Mr. Chairman. First let me say
851 I appreciate your employees out in Region 10; Dennis McClaren
852 is doing a great job. I enjoy working with him. We
853 sometimes disagree about what the EPA has to do or what he

854 has to do and stuff, but I have always found him to be a
855 gentleman that is willing to sit down and talk to us and try
856 to work out any differences. And we have done some good
857 things with Dixie Drain in Boise and stuff to help reduce the
858 cost of having to remove phosphate from the river before it
859 goes into the Snake River and stuff.

860 Ms. MCCARTHY. Thank you. I will pass that along to
861 him. He certainly reflects the kind of leadership that we
862 are looking for in the Agency.

863 Mr. SIMPSON. Now let me ask you a couple of questions.

864 Ms. MCCARTHY. Does it go downhill from here?

865 Mr. SIMPSON. It goes downhill from here.

866 Ms. MCCARTHY. Just checking, just checking.

867 Mr. SIMPSON. I will get into the Clean Water Act in
868 just a minute. But yesterday you testified before a
869 Subcommittee, Chairman Whitfield's Subcommittee, and I have
870 heard from a couple of sources including the Chairman and a
871 couple of others who listened to it--and I want to give you a
872 chance to clarify this statement for me--that when asked
873 about the power plant rules, clean coal fired power plant
874 rules or whatever they were, that your response was that
875 these rules were not put in place because of pollution, they
876 were about investment opportunities.

877 Ms. MCCARTHY. No. Let me try to clarify that.

878 Mr. SIMPSON. I thought you might want to.

879 Ms. MCCARTHY. This is a Clear Air Act rule that is
880 following the Clean Air Act as Congressed authorized EPA to
881 implement it. And it is a technology based standard that is
882 looking at reducing carbon pollution. That is the four
883 corners of the effort. The question was asked of me as to
884 why I think this is--if I may paraphrase, why I feel so
885 positive that this rule provides the flexibility that states
886 need, why am I saying it is not about pollution control
887 technology. And I indicated that the flexibility in our
888 proposal took it away from needing as our standard programs
889 usually do, it is about putting a scrubber on an end of the
890 pipe, which we can all agree is a cost. And instead if we
891 look at this as an opportunity to invest in energy and our
892 economy in a way that states believe is beneficial to them
893 both environmentally and economically, that can grow jobs,
894 that there are opportunities for this to be a real investment
895 that the states would want to make regardless of the carbon
896 pollution. That is an investment in renewable energy, energy
897 efficiency programs that keep our energy system reliable and
898 affordable. I believe that it is a much more positive way to
899 look at it, and one that is closer to reality of how states
900 are looking at it as well.

901 Mr. SIMPSON. Okay. Well, thank you for that
902 clarification because I did not think it could be accurately
903 reflected in what I said.

904 Ms. MCCARTHY. I appreciate the opportunity.

905 Mr. SIMPSON. When we talk about the Clean Water Act I
906 think it is always important to remember, and nobody ever
907 seems to state it, but we are not talking about waters that
908 were unregulated before.

909 Ms. MCCARTHY. That is correct.

910 Mr. SIMPSON. These were regulated by the state, just
911 not under the Clean Water Act by the federal government. But
912 I find it hard when you say it does not represent an
913 expansion of the EPA's jurisdiction. I think it is a vast
914 expansion of the EPA's jurisdiction. In fact when you talk
915 about the connectivity rule I do not know how you inevitably
916 get to the point where you are going to start regarding
917 groundwater also. And I will tell you what, a real short
918 story, when I first got elected to the legislature in the
919 State of Idaho, I drew up a Constitutional Amendment, or had
920 it drawn up, and it had to do with hunting and fishing and
921 stuff. And it had a line in it that said federal waters.
922 All of my colleagues in the legislature that agreed with what
923 I was trying to do said they could never vote for that
924 because they would not put in our Constitution anything that
925 said federal waters because there were no federal waters,
926 they were state waters. That is how strongly the state feels
927 about that. And so when they look at expansion of a Clean
928 Water Act, what they consider expansion of the Clean Water

929 Act, they get very, very concerned. And I realize that we
930 had to clarify what navigable was, navigable to what, to who.

931 I do not know why the Court said that. But the answer
932 seemed to be okay, let us regulate everything and that kind
933 of clears that up. I do not think that is what the Court
934 said, and it is up to us to come up with a rule that more
935 accurately reflects the role of the states and the role of
936 the federal government.

937 As an example, the Supreme Court in the SWANCC decision
938 specifically rejected the Agency's assertion because when you
939 say that this is not expansion of the jurisdiction, that it
940 is just those waters that the EPA has historically claimed
941 jurisdiction, and the SWANCC decision specifically "Rejected
942 the Agency's assertion that use of an isolated wetland by a
943 migratory bird was a sufficient basis to establish federal
944 jurisdiction. The proposed rule being considered now
945 suggests that the movement of wildlife including birds
946 between one water and another, or the reliance on a
947 particular water within a watershed by a species or for any
948 part of the species' life cycle can be used as evidence of
949 the connectivity of waters for purposes of asserting federal
950 jurisdiction.'" Can you explain how that is not an expansion
951 of federal jurisdiction?

952 Ms. MCCARTHY. I am happy. Let me take these issues one
953 at a time. This is a rule to identify the jurisdiction under

954 the Clean Water Act using science to the best of our ability.
955 What is regulated depends on what needs a permit. And so if
956 you are not doing anything to a water to either pollute it or
957 degrade it, then there is no conversation that needs to be
958 had. So there are differences in the terms that we need to
959 recognize. We are specifically making it very clear that we
960 are not regulating groundwater under the Clean Water Act,
961 that is not part of the--

962 Mr. SIMPSON. But how do you not eventually regulate
963 it?

964 Ms. MCCARTHY. Because it is not jurisdiction. We do
965 not believe that is part of the jurisdiction of the Clean
966 Water Act. And it has been one of those things have been up
967 in the air and what we tried to do was nail it. We have
968 clearly stated that. And if there are other things like that
969 that we need to resolve we want to do that.

970 Now the relationship between the states and the federal
971 government, I think we recognize that states are really
972 primary in many of the issues related to waters and water
973 quality. And we recognize that and this rule does not change
974 that. We recognize that some states had questions as to
975 whether or not this would change their rules. We are going
976 to be resolving those issues in the final. It was clearly
977 not our intent. Maybe we did not say it as clear as we need
978 to and we will take care of that as well.

979 Relative to SWANCC and isolated wetlands, SWANCC said
980 that--you correctly raised their issue which was the
981 migratory birds issue is not sufficient to determine
982 jurisdiction. What the next decision, Rapanos, said was much
983 more clearly what you need to do to establish jurisdiction.
984 And that means you have to establish that the connectivity
985 not just connected, but they need to be connected in a way
986 that impacts significantly the downstream waters. They do
987 not say it exactly that way, but the connection needs to be
988 there. And so what the science tells us is what is
989 connected, but that is on a gradient, and we know that just
990 being connected is not enough. It needs to be more than just
991 connected so that we can actually determine whether or not it
992 would impact if it were polluted or degraded, would it impact
993 the actual biological, chemical, physical characteristics of
994 the receiving water, because if we do not think it would then
995 that connection is not sufficient for jurisdiction. So now
996 you know why this is a confusing issue to try to resolve
997 through rule making, but you also know why it has been
998 confusing for a long time and people are asking for clarity.
999 So we realize that while we may not have cleared everything
1000 up there is an opportunity to get a lot clearer and we will
1001 try to do that as effectively as we can in the final rule.

1002 Mr. SIMPSON. Okay. Thank you.

1003 Ms. MCCARTHY. All right.

1004 Mr. CALVERT. Thanks, Mr. Simpson. Next is Mr. Kilmer.

1005 Mr. KILMER. Thank you, Mr. Chairman, and thanks for
1006 being here, Madam Administrator. I also want to thank you
1007 for coming out to Puget Sound this past summer and for the
1008 work you and your Agency are doing to help us recover that
1009 important body of water. That is not just an economic engine
1010 for the State of Washington, but it is also a complex
1011 ecosystem in need of protection.

1012 I was pleased to see that the President's budget
1013 included an increase for both the National Estuary Program
1014 and for the Puget Sound Geographic Fund. And I have got a
1015 couple of water related question. One, I just want to get a
1016 sense from you how we can better highlight our needs in Puget
1017 Sound and continue to work with the EPA to move forward with
1018 the recovery efforts there and the funding of recovery
1019 efforts there. What do we do to ensure both the Geographic
1020 Program and the National Estuary Program remain sustainable
1021 and funded? But we also see in our neck of the woods not
1022 just point source pollution issues, but non point source.
1023 And we have got an entity in our neck of the woods called the
1024 Washington Stormwater Center that is looking at innovative
1025 efforts to address stormwater. To what extent does the EPA
1026 fund stormwater related activities, and are you doing work
1027 around finding solutions to stormwater financing and
1028 innovation? And I guess aside from funding constraints how

1029 | can Congress help advance those efforts?

1030 | Ms. MCCARTHY. Well, thank you for asking the question.

1031 | And it was great to go out to Puget Sound to see the resource

1032 | that is really so need of protection. There are many

1033 | challenges up there.

1034 | I think we all need to keep highlighting these issues,

1035 | not just highlighting them to EPA, but clearly all of these

1036 | geographic initiatives are worthy of support. The question

1037 | is how much can we actually afford to do within the budget

1038 | constraints that we all face. And one of the things we are

1039 | trying to do is recognize that there is a collaboration

1040 | between state, tribal, and federal levels that needs to

1041 | happen so that we are not duplicating efforts. And we are

1042 | spending a significant amount of time becoming a better

1043 | partner for states and tribes so that we can work more

1044 | collaboratively and not duplicate and make our funding go

1045 | further.

1046 | The other thing we are trying to do is establish

1047 | opportunities for financing strategies for all of these

1048 | efforts that also bring private dollars to the table because

1049 | the private sector has a large stake in the quality of these

1050 | large water bodies. They are not just iconic to

1051 | environmental advocates or you and I, they are necessary for

1052 | the economic vitality of the regions that surround them in

1053 | the business community. So we have put together some new

1054 financing centers. First of all we have brought together one
1055 that I mentioned earlier, that is our Water Infrastructure
1056 and Resilience Center, because it is an opportunity to work
1057 more creatively on different financing strategies. And we
1058 are trying to stand up what Congress asked us to do which was
1059 a WIFIA program so that we could also look at opportunities
1060 that are more directly related to state programs and
1061 interests. So we are working together to try to address
1062 these issues as well as we can, recognizing that in all cases
1063 our needs are great, but there are wonderful ways for us to
1064 continue to work together more efficiently and effectively
1065 with the resources that are reasonable for us to ask.

1066 Mr. KILMER. Are any of those efforts being undertaken
1067 in Region 10?

1068 Ms. MCCARTHY. Many.

1069 Mr. KILMER. Okay.

1070 Ms. MCCARTHY. Many. And many of them will be related
1071 to our work with both the states and Region 10.

1072 Mr. KILMER. The other thing I wanted to ask you about,
1073 as I travel around my district I have communities that want
1074 to make investments in stormwater upgrades, and I talk to
1075 businesses that are struggling to keep up with environmental
1076 compliance costs, and we have tribes on the coast that are
1077 literally working to relocate schools because of persistent
1078 flooding. I think these are important challenges for the EPA

1079 to take on and I would like to get a sense from you how the
1080 EPA plans to engage with communities and initiatives that the
1081 EPA is looking to pursue in that regard. I know that one of
1082 your goals is making a visible difference in communities
1083 across the country, so can you talk about how you are working
1084 with communities that are struggling with these challenges?

1085 Ms. MCCARTHY. I can because water ends up being an
1086 incredibly important issue, especially with the changing
1087 climate, and resilience is going to be important. We have
1088 established an opportunity to work, or a focus area to work
1089 more effectively with communities. We have identified almost
1090 \$47 million to be able to go to this effort in addition to
1091 other work that we might do, but work that is coordinated
1092 with it but not duplicative.

1093 What we are trying to do is work with our regions to
1094 actually work in a multimedia capacity with communities so
1095 they understand the opportunities they have, not just with us
1096 but across the federal government to leverage resources to
1097 help integrate both their planning efforts--they need to look
1098 at water, wastewater and stormwater so that we can work more
1099 effectively together. We are going to be creating a network
1100 of what we call circuit riders which are folks that are
1101 expert in these community issues so that they can use their
1102 expertise in more than one place and be able to share what
1103 they learned in the prior one with the next community that

1104 | they work in. We are looking at opportunities for
1105 | advancement monitoring and decision making tools. As you
1106 | know we have put out things like the Stormwater Calculator,
1107 | so that as communities are looking to take efforts themselves
1108 | they have tools readily available for them.

1109 | And we have also increased our brownfields project funds
1110 | by \$30 million specifically targeted at really good community
1111 | work that will help advance all these goals.

1112 | You know I could go on and on, but we have more money
1113 | for states and tribes, \$108 million more in stag money that
1114 | we are looking for. This will amount to a more than 30
1115 | percent increase for tribes, in how we are supporting them.
1116 | We are looking at superfund increases so that we can get at
1117 | those superfund sites as well. We are looking at
1118 | opportunities for new technologies moving forward that we can
1119 | advance with states. We are truly in a partnership not with
1120 | states but local communities that benefit from the funding
1121 | that we send to the states.

1122 | Mr. KILMER. Thank you. Thank you, Chairman.

1123 | Mr. CALVERT. Thanks, gentlemen. Next, Mr. Stewart.

1124 | Mr. STEWART. Thank you. Did we skip someone, Chairman?

1125 | Mr. CALVERT. Sorry. Okay. Then we will go with Mr.
1126 | Cole.

1127 | Mr. STEWART. I defer to the more senior member, sir.

1128 | Mr. CALVERT. Okay.

1129 Mr. STEWART. I do not want to get the Chairman of the--

1130 Mr. COLE. What a nice way to put that. Thank you very
1131 much, Colonel.

1132 Thank you very much, Administrator McCarthy, for being
1133 here. And I want to make a point that actually is not
1134 directly on your budget, but I think it bears repeating
1135 because I have heard this from a number of administration
1136 officials when they come in to present their budgets in front
1137 of the various Subcommittees. And I do not think you would
1138 find any of us up here that disagree with the--we would all
1139 love to get rid of sequester. I do not know an appropriator
1140 that would not like to do that, but it is the law of the
1141 land, and it is a law that the Congress passed, that the
1142 President signed. And frankly if you go back and read Bob
1143 Woodward's book if I recall, The Price of Politics, the
1144 sequester is actually an administration or presidential idea
1145 and suggestion in that negotiation, so it is not going to be
1146 wished away. And with all due respect to the President the
1147 various mechanism that he is proposing in his budget to
1148 provide additional money are not going to pass the Congress,
1149 and he knows that when he put them in there. I do not know
1150 if we will do this again, but in the past when we have put
1151 the President's budget up on the floor most democrats have
1152 not voted for it. And if most democrats will not vote for
1153 most republicans do not. And I just say this, that I think

1154 | where we are headed is the default position here is the law.
1155 | It is the Budget Control Act. And so any budget that is not
1156 | based on that or if there is not a negotiation going on all
1157 | through that to me is not likely to reflect reality. And I
1158 | think it is going to put you in a difficult spot as an as
1159 | administrator. I think it puts the public in a difficult
1160 | spot because it looks more like a political document than a
1161 | real budget. And so I think we are playing with a house of
1162 | cards here that is going to collapse pretty quickly because
1163 | we are making requests that there is not the money there, and
1164 | absent a change in the law I think you are going to be
1165 | basically where you were in the last budget cycle.

1166 | Having said that, and I say that again not directed at
1167 | you, it is just something I am routinely saying to people so
1168 | that maybe we actually get that negotiation in some realistic
1169 | format. We did do a Ryan-Murray deal a couple of years ago
1170 | which I think was a very good deal, and two sides can work
1171 | together. But as some point that is got to start. My guess
1172 | is it will not start until after we go through the
1173 | appropriations process. So we will actually be living within
1174 | the law.

1175 | I do want to thank you personally for working with us to
1176 | get a permanent lab director at Kerr Labs in Oklahoma. Your
1177 | department was extremely helpful in making that happen and we
1178 | are very pleased with the Director that you chose and sent

1179 down there.

1180 Ms. MCCARTHY. Good.

1181 Mr. COLE. Absolutely. And the staff there is a
1182 terrific staff and it has the most active alumni association
1183 of any federal facility I have ever seen because people that
1184 retire continue to take a deep, deep interest in the
1185 groundwater work and literally world class scientific work on
1186 water quality goes on. So thank you.

1187 Ms. MCCARTHY. That is great. Thank you.

1188 Mr. COLE. And to that point I would like you to
1189 perhaps, and this might help the rest of the Committee, I
1190 sort of got familiar with the Title 42 hiring in this process
1191 and what an important tool that was for you in being able to
1192 get us the kind of Director that we needed. So is that a
1193 tool that you use elsewhere?

1194 Ms. MCCARTHY. It is a tool that we use at our office of
1195 Research and Development which oversees labs as well. It
1196 just provides us an opportunity to more effectively compete
1197 to get the world-class scientists that we need working in the
1198 agency in these vital positions.

1199 It has been authorized for an additional five years. We
1200 only use it when we need to because we understand that we are
1201 all budget constrained but I couldn't be more pleased that we
1202 have been able to fill that position and with somebody with
1203 credibility that we see. And really, without that

1204 | opportunity, it would have been extraordinarily difficult.

1205 | Public service is wonderful. Lucrative is not part of
1206 | wonderful.

1207 | Mr. COLE. Well, yeah, I am sure you know that from
1208 | firsthand experience. Tell me a little bit, we had a flap
1209 | last year that I think, depending on how many rural fire
1210 | districts you have in your district, became a considerable
1211 | concern. And there was a temporary suspension of military
1212 | surplus vehicles and what was going to rural fire
1213 | departments. And these are, again, self-supporting entities
1214 | that really do great work. We have had a great relationship
1215 | with the military providing vehicles.

1216 | I know the EPA had some concerns. Can you tell us where
1217 | we are at today?

1218 | Ms. MCCARTHY. Yeah, we have resolved that issue and
1219 | thank you for raising it. I think it was raised quickly
1220 | enough that we realized what the concern was and we were able
1221 | to address it very quickly. It had to do with a Clean Air
1222 | Act obligation for vehicles or engines and I don't remember
1223 | exactly how we fix it. All I remember is when it got raised
1224 | everybody said we have to fix this. And so, I appreciate it
1225 | very much.

1226 | Mr. COLE. Well, and you did so thank you for
1227 | back--there was some concern that the vehicles were not
1228 | environmentally safe and so, thanks for backing off that

1229 pretty quickly. I am also very interested, you mentioned
1230 some of the things you are interested in doing with tribes
1231 and a number of us up here, Mr. Simpson I know in particular,
1232 when he was Chairman of Interior, we have been to
1233 reservations and seen some of the infrastructure problems
1234 they have in terms of clean water and water distribution
1235 systems. So I would like to know what you are planning to do
1236 in your budget and what you think is necessary.

1237 A lot of these are, as you know, very remote locations
1238 with very inadequate infrastructure. There has been very
1239 little federal investment and obviously, in many cases these
1240 are very poor tribes. They don't have funds of their own.

1241 Ms. MCCARTHY. And thank you for recognizing that. We
1242 have been working very hard with the tribes to make sure that
1243 they are--the money that they can use for infrastructure
1244 purposes is increased. We are looking at a \$96 million
1245 increase under our tribal gap program, I'm sorry, \$96 million
1246 this year which is a \$31 million increase over what was
1247 enacted in 2015.

1248 You know, we are trying to also make sure that we are
1249 bolstering the ability for tribes to deal with some of their
1250 solid waste issues. We have proposed a \$3 million in
1251 extramural funds just to make sure they have some core
1252 services that the rest of us sort of take for granted. And
1253 they need some help there.

1254 We also are working with Puget Sound to dedicate some
1255 additional resources to the tribes to allow them to keep
1256 participating in that effort and to benefit from the
1257 clean-ups that are essential for Puget Sound. And that will
1258 also ensure that we meet our trust responsibility to the
1259 tribes.

1260 And we also have some set-asides under the Drinking
1261 Water Fund where we are making sure that \$20 million, or two
1262 percent, of the appropriated funds are set aside for Indian
1263 tribes in Alaskan native villages. They have unique and
1264 critical needs that we need to fund.

1265 Mr. COLE. Well, appreciate that last question in this
1266 regard and then, I will yield back. Just could you enlighten
1267 me or enlighten us a little bit, how do you prioritize these
1268 requests? I mean, we know the needs are always going to be
1269 greater than the dollars you have so when you are looking at,
1270 you know, a reservation on an Indian--a reservoir, excuse me,
1271 on an Indian reservation or water infrastructure, how do you
1272 make those choices?

1273 Ms. MCCARTHY. Well, we have to actually set it up as a
1274 competitive process where we describe the criteria. We even
1275 take comment and publicly put those out. The challenge for
1276 dealing with tribes in Alaskan native villages is their
1277 ability to be able to compete effectively given their
1278 limited, you know, resources to be able to hire consultants

1279 and do the work. Which is why both in the funds that I have
1280 recognized but also in the Clean Water revolving fund, the
1281 SRS, we do set aside--

1282 Mr. COLE. Do you do--

1283 Ms. MCCARTHY. --so they are competing against each
1284 other.

1285 Mr. COLE. Right.

1286 Ms. MCCARTHY. We can help them and provide them
1287 technical assistance. But the criteria--

1288 Mr. COLE. That is what I was going to ask.

1289 Ms. MCCARTHY. --is publicly available. It is
1290 discussed. There is nothing that doesn't make this a totally
1291 competitive process. But we do set asides for the tribes.
1292 It is appropriate. It is necessary to do that. And it has
1293 provided them opportunities to compete effectively against
1294 one another for what is the highest priority items that we
1295 can take care of.

1296 But it also gives us a sense of what the needs are in
1297 the tribes and what we might want to request in the next year
1298 which is why I think it is important for these funds to go
1299 through so we continue with our commitment to the tribes to
1300 get them under the standard of living that the vast majority
1301 of people in this country enjoy.

1302 Mr. COLE. Well, thank you for that and thank you for
1303 your efforts in that regard. And I yield back, Mr. Chairman.

1304 Mr. CALVERT. Thank you, Mr. Cole. Next Ms. Pingree.

1305 Ms. PINGREE. Thank you, Mr. Chair. Thank you very much
1306 for being here today and for the tough challenges you take
1307 on. None of the work that you do is easy and we
1308 appreciate--I appreciate all the answers you have had for
1309 questions today and many of other things we have worked with
1310 you on.

1311 I just want to bring up a couple of things and I was
1312 glad my colleague from the other coast talked about the
1313 national estuary program. And I just want to say that has
1314 been very beneficial to us on the Maine coast. The Casco Bay
1315 program is funded through the ADP and they have at least two
1316 initiatives going on right now and it is just critically
1317 important as we are in this very difficult time and a lot of
1318 ocean waters and certainly off the Northeast, we are worried
1319 about manufacturers in relation to that.

1320 They are doing a study on the green crabs which is an
1321 invasive species and has seriously had an impact on our
1322 mussel population. And just recently, I heard that many of
1323 the natural mussels are not there and not harvestable and I
1324 would hate to think that Maine would have to lose yet another
1325 species.

1326 I also saw a recent extreme sea level rise. We are
1327 already up five inches and I think people, you know, whether
1328 we agree with everything about climate change or not or, you

1329 know, however we perceive this, five inches of coastline is a
1330 very serious business to a coastal state and will continue to
1331 have huge impact for us.

1332 The one thing I wanted to ask you to talk a little bit
1333 about, and again, just thanking you for your commitment to
1334 climate change and the President's budget focusing on this
1335 and making sure that we are better prepared or working on
1336 these issues. Like I said, we don't always all see this from
1337 the same way but I go back to my home district and see a
1338 stark change in the people who have to deal with the natural
1339 resources

1340 The farmers who deal with more extreme weather, and
1341 certainly, out west with the drought, foresters who have
1342 issues with fire and a whole variety of species that weren't
1343 there before invasive pest species and then, certainly our
1344 fisherman. Representing a fishing state, I have never seen
1345 fisherman so worried about the species they never saw before
1346 coming up in their lobster traps, worries about diseases
1347 coming to the lobsters that used to be much further south
1348 along the coast, losing species like shrimp to northern
1349 waters.

1350 So these things are very real to us and are very
1351 worrisome. And just recently, I learned a little bit more
1352 about the existence of blue carbon and the role that salt
1353 marshes, sea glass meadows and wetlands have in absorbing,

1354 processing and storing that. And I guess I would like to
1355 hear you talk a little bit more about what you are doing with
1356 coastal communities around blue carbon. What kind of
1357 research that you are doing to discover more about it.

1358 We have so many salt marshes and estuaries in our state
1359 and they play such a critical role. I am just interested in
1360 your take on the science and some more information about it.

1361 Ms. MCCARTHY. Well, thank you for raising all of these
1362 issues because I do agree that people across the U.S. are
1363 worried about the changing climate and the extreme weather
1364 events we are seeing because they recognize that global
1365 warming is not exactly the term to come out of the gate with.

1366 It is really all about extreme weather whether it is the
1367 snow that we are seeing or the heat that we are experiencing
1368 and the droughts.

1369 On blue carbon, the good news is that this is something
1370 that I think many people are now attuned to and are doing
1371 research on. As you know, across the U.S. government, in
1372 particular, in NOAA, they take really a leadership role in
1373 some of the research activities here. But I do also know
1374 that there has been a national conference that was sponsored
1375 on ocean acidification in the U.S. that drew a number of
1376 countries in with experts and researchers and scientists to
1377 begin to make a concerted international effort to take a look
1378 at this issue.

1379 It is one of the, I believe, one of the least studied
1380 areas is to understand what ocean acidification means and how
1381 the lack of salt marshes and other opportunities for
1382 buffering those issues, what it actually means. It could end
1383 up being one of the most difficult issues for us to get our
1384 arms around but there hasn't been the kind of research effort
1385 that is necessary.

1386 And in terms of working with coastal areas, we have been
1387 supporting not just technical assistance and research but
1388 also tools that are available to understand what the
1389 challenges are how we can more effectively look at these.
1390 Everything from mapping that is done across the U.S.
1391 government to all of us categorizing the impacts and also
1392 looking at what you can to avoid those. And how do we more
1393 naturally look at resiliency in our coastlines to protect our
1394 property and our lives.

1395 It is a significant challenge because so much of the
1396 northeast is our coastlines. But being from the northeast
1397 myself, I will do everything I can to work.

1398 Ms. PINGREE. I recognize the accent.

1399 Ms. MCCARTHY. Yeah, did you? I thought I really
1400 carefully covered it.

1401 Ms. PINGREE. Well, I will just say again, thank you.
1402 And I think that is one of the big challenges of dealing with
1403 the science around climate change and certainly from an

1404 environmental perspective is that we are all familiar with
1405 the idea of something, you know, polluting our air coming out
1406 of a smokestack or an automobile or polluting our water
1407 coming out of a leaking oil tank or something else. But this
1408 is such a different, complicated issue and you talk to people
1409 about ocean acidification and their eyes glaze over and they,
1410 you know, that is a vast ocean. What should I care about it?

1411 But, you know, the oyster fisheries, shellfish not being
1412 able to make a shell and all kinds of impacts that we haven't
1413 even seen yet are going to be huge for our economy, our jobs,
1414 our coastal communities. So there is a lot of work to--

1415 Ms. MCCARTHY. As Congressman Kilmer will tell you,
1416 Washington and Oregon are losing oyster beds to Hawaii these
1417 days, right?

1418 Ms. PINGREE. Yeah. That is just very difficult. Well,
1419 thank you that. I yield back.

1420 Mr. CALVERT. Thank you. Mr. Stewart.

1421 Mr. STEWART. Thank you, Mr. Chairman, Madam
1422 Administrator, it is good to see you again. We appreciate
1423 your service. I wish there was more that we agreed on but we
1424 recognize that you represent the administration and his goals
1425 and objectives and that puts us at loggerheads. I appreciate
1426 these hearings. I don't suppose that you like them a whole
1427 lot. You come and you read your statements and we read our
1428 questions and you answer those questions sometimes.

1429 Sometimes you do a masterful job of answering in a somewhat
1430 ambiguous way which we respect and appreciate as well. I
1431 don't suppose we change your mind and I don't suppose you
1432 probably change ours.

1433 But I would like to ask you a question and in doing so,
1434 I want you to know I am sincere in this question. I am not
1435 trying to paint you into a box. I am not trying to--it is
1436 not a gotcha question at all. I really do want to understand
1437 if you agree with this but I need to set the question up
1438 quickly if I could.

1439 I was an Air Force pilot for 14 years. I flew one of
1440 the most sophisticated weapon systems ever built. I know a
1441 little bit about national security, I think. I sit on a
1442 House-elected committee on intelligence right now and in that
1443 I am reminded every day, as I think most of us are, that we
1444 live in a dangerous, a chaotic and an unpredictable world.
1445 And we could go down a long, long list, ISIS, the possible
1446 nuclearization of Iran, a war in the Ukraine, the rise of
1447 terrorist threats around the world, a generational skip in
1448 the weaponization of China. And I would also add an
1449 unsecured border to that.

1450 Which brings me to my question now and that is in the
1451 fact of all this, senior administration officials, including
1452 the President himself, have said climate change is the
1453 greatest threat that we face. And I just find that stunning.

1454 And I could quote them. Secretary Kerry recently said
1455 climate change is now considered the worst and most fearsome
1456 weapon of mass destruction.

1457 The President, in a State of the Union, said no
1458 challenge. And he reiterated it, no challenge poses a
1459 greater threat than climate change. And then, Vice President
1460 Biden speaking to a group of college students says global
1461 warming is the greatest threat of your generation, of
1462 anything at all.

1463 And I would like to emphasize, they didn't say it is one
1464 of the greatest threats. They didn't say it is one of our
1465 primary concerns. They said it is the greatest threat. And
1466 again, I just find that stunning. And I wonder if you agree
1467 with that assessment.

1468 Ms. MCCARTHY. Well, I don't know if I am close enough
1469 to make a comparative statement. I am sure that the folks
1470 you recognized are working on all of those issues. What I do
1471 know is that the President is very serious when he says that
1472 climate change is an issue that is not just an environmental
1473 one but one that is fundamental to our economy, fundamental
1474 to national security. And I have been in other countries
1475 where I have been most recently to Vietnam where I went there
1476 to talk about their water quality challenges within Hanoi and
1477 to work with them on a variety of issues. They couldn't stop
1478 talking about the impacts of sea level rise in the Mekong

1479 Delta.

1480 Mr. STEWART. Well, I understand there are those who
1481 have concerns as we all do.

1482 Ms. MCCARTHY. Yes.

1483 Mr. STEWART. But you started--I'm sorry. You started
1484 out by saying that you didn't know if you were close enough,
1485 indicating you didn't have enough background or expertise in
1486 that but honestly you do. Every one of us do. I would think
1487 every American has the capability of looking at these threats
1488 and in a reasonable fashion saying, this one is greater than
1489 this one.

1490 Ms. MCCARTHY. I feel--

1491 Mr. COLE. And I can't imagine any one of saying that
1492 this is the greatest threat that we face.

1493 Ms. MCCARTHY. If you look at, sir, and I would ask you
1494 to take a look at the national security strategy that was
1495 recently laid out. It is all about water and the expanding
1496 areas of drought that will impact economies and lives. It is
1497 all about the displacement of large populations that will
1498 provide a level of insecurity that will be extraordinary as
1499 sea levels rise.

1500 There is a very large challenge with climate change and
1501 the impacts are here today. You can count them. You can
1502 look at them. You can cost them out. Many people have.

1503 Mr. STEWART. So I am assuming--

1504 Ms. MCCARTHY. They think it is a threat to national
1505 security as well as the environment and the economy here.

1506 Mr. STEWART. So I am assuming from your response that
1507 you would agree with that analysis that it is the greatest
1508 threat then?

1509 Ms. MCCARTHY. I would agree that it is certainly the
1510 greatest challenge that my agency is facing at this point in
1511 terms of what we can contribute to some of the solutions and
1512 the actions moving forward.

1513 Mr. STEWART. Okay. Well, and I would appreciate that,
1514 that you are representing your agency. Referring to the
1515 other members of the administration including the President
1516 himself, though, who is not representing your agency, he is
1517 representing national security and our national interest.
1518 Again, it stuns me that he would draw that conclusion.

1519 If I could, in 30 seconds, and our timer is not working
1520 or not activated, Mr. Chairman.

1521 Mr. CALVERT. I'm the timer.

1522 Mr. STEWART. Okay. I will do this quickly. We have
1523 this proposed ozone rule through the National Ambient Air
1524 Quality Standards and it is, you know, growing from 70 to 65
1525 parts per billion and we have discussed this, Madam
1526 Administrator, actually is--when I was subcommittee chairman
1527 on last year and there are, you know, major parts of the west
1528 that it is virtually impossible for them to meet these

1529 standards. There is more naturally occurring ozone than
1530 there would be allowed. And there is not a thing in the
1531 world they can do about it.

1532 And I am wondering if you could update us on your
1533 proposed--or your intentions on this proposed rule and if you
1534 intend to go forward with that, what would we say to those
1535 very rural parts of my district, for example, that simply
1536 have no choice? They would be out of compliance.

1537 Ms. MCCARTHY. Well, the recommendation that EPA, that I
1538 made, in the proposed rule was to consider a range between 70
1539 and 65. And if you look at all of the national rules that
1540 are in place today and what we expect to see moving forward,
1541 we do know that by 2025, at the range of 70, that you are
1542 likely see nine counties in non-attainment by 2025 at that
1543 level because of all of the efforts already underway to
1544 reduce that pollutant.

1545 And so, I don't necessarily believe that there are no
1546 ways to achieve attainment out west. I do know California,
1547 that was with the exception of California, nine counties, has
1548 particular challenges but they are looking at an attainment
1549 date of the year of outside of 2037. So this is a
1550 health-based standard that we will work with states as we
1551 have done before to try to make sure that they are not trying
1552 to do anything that is outside of their authority or purview.
1553 They certainly don't have to get down to levels that are not

1554 attributable to them. And we will work at looking at the
1555 costs associated with those and be as reasonable as we can
1556 moving forward.

1557 But this is what the health studies are telling us are
1558 necessary to protect public health and welfare.

1559 Mr. STEWART. I look forward to a further conversation
1560 with you on that issue.

1561 Ms. MCCARTHY. Okay. Thank you.

1562 Mr. STEWART. I don't think we will settle it here but
1563 thank you.

1564 Ms. MCCARTHY. But thank you so much for the questions.
1565 I appreciate it.

1566 Mr. CALVERT. Thank you, Mr. Stewart. He is modest. He
1567 still holds the world speed record for flying around the
1568 globe so we congratulate our colleague. We will take this as
1569 far as we can and then, we may have to recess for a little
1570 while and come back. But go ahead. Go ahead. Do it now and
1571 we will--

1572 Mr. JENKINS. --troubles in West Virginia, Greenbrier
1573 County, Fayette County and your EPA folks on the ground have
1574 been very helpful in the water quality testing and, you know,
1575 it kind of reminds me of what the core functions of the EPA
1576 are and those are important functions and I appreciate that
1577 kind of work. My concern is that there are a number of actions
1578 and activities of the agency, the EPA, that I simply can't

1579 agree with. I am very familiar with what I believe and so
1580 many others believe is the agency overreaches as it comes to
1581 the Buffalo Mountain Project, the Spruce Mountain--the Spruce
1582 Mine Project. It is just incredible to me that you can have
1583 a core issued permit and then turn around and have the EPA
1584 retroactively, effectively veto it.

1585 And both of these projects and so many others and the
1586 message coming out from this EPA and their actions are
1587 having, candidly, a devastating impact on my state and my
1588 people. This is real as you well know, I am sure. We have
1589 got 9,000 jobs in West Virginia just in the last few years
1590 that have been impacted to, in my opinion, in a large degree
1591 but I don't think anybody would dispute at least some degree
1592 by the actions and behaviors of the EPA.

1593 And I am glad you are nodding your head. I think--

1594 Ms. MCCARTHY. I am listening.

1595 Mr. JENKINS. Well, okay. I am hoping that the nodding
1596 was meaning you agree. But I am very troubled. Our
1597 production is down 20 percent in just the last few years and
1598 now you are proposing a water rule and a power plan that is
1599 going to exacerbate the unemployment, the underemployment on
1600 the people of West Virginia. And I simply can't, you know,
1601 support. You know, here is, as a new member of Congress, is
1602 what I get which is a justification of appropriated--this is
1603 your justification, supposedly, for what I call your war on

1604 coal.

1605 And it is a war on coal. And it is a war on the jobs of
1606 the people of West Virginia. You know, you went on your
1607 listening tour but you didn't come to West Virginia and you
1608 were challenged yesterday by the congressman from Ohio just
1609 simply asked, would you come to my state? You could not
1610 bring yourself to say, yes, I will come to Ohio.

1611 So let me just ask you, will you come to West Virginia?

1612 Ms. MCCARTHY. So let me--

1613 Mr. JENKINS. And would--and, you know, I saw how you
1614 worked with the congressman yesterday. Just simply, will you
1615 come to West Virginia to hear the voices of the people of our
1616 state of the impact on the coal and water plan and rules that
1617 you have got for our state? Will you come to West Virginia
1618 personally?

1619 Ms. MCCARTHY. Sir, my answer is the same as yesterday
1620 is that we have done extensive outreach. We have hearings
1621 all over the U.S. If there is a stakeholder group that I
1622 have not heard from that you think was precluded from
1623 commenting, we are happy to address that issue.

1624 Mr. JENKINS. The stakeholders that I care about are the
1625 hardworking men and women of West Virginia. It is incredible
1626 to me that the administrator wants to go off and meet with
1627 groups. Why don't you want to meet with the people? Meet
1628 with the people of West Virginia. Look at that coal miner in

1629 the eye.

1630 That coal miner may not be with a stakeholder group but
1631 they have got to put food on their table each and every day
1632 and that hardworking miner needs to get government off its
1633 back. So what I am asked to do as an appropriator now is
1634 say, do I agree with your justification for your budget.

1635 So let me ask you, number one, does your budget, if we
1636 approve as requested, give you the third largest budget in
1637 EPA history?

1638 Ms. MCCARTHY. I don't know how it is clarified, sir,
1639 how it ranks.

1640 Mr. JENKINS. Okay, the next question then.

1641 Ms. MCCARTHY. Yes. Yes.

1642 Mr. JENKINS. Okay, well, great.

1643 Ms. MCCARTHY. That was a good one.

1644 Mr. JENKINS. Does your budget propose \$58 million
1645 increase to fund the President's climate action plan?

1646 Ms. MCCARTHY. Just short of 58.

1647 Mr. JENKINS. Okay. This budget increase proposal
1648 increases your budget by almost a half a billion dollars.

1649 Ms. MCCARTHY. Yes.

1650 Mr. JENKINS. And but it also cuts, does it not, it cuts
1651 out \$54 million from the State Revolving Funds Program?

1652 Ms. MCCARTHY. As opposed to 2015 enacted but it is a
1653 significant increase over the presidential request--

1654 Mr. JENKINS. And your budget sets forth that you are
1655 not growing the number of FTE workers but instead what you
1656 actually are doing while you take pride in maybe not growing
1657 your employment, you actually are asking for funding for the
1658 lawyers to carry out the regulatory and the legal challenges
1659 that you are faced with, are you not, so you are--

1660 Ms. MCCARTHY. That is not correct, sir.

1661 Mr. JENKINS. Well, so you are not asking for new money,
1662 I think it was \$27 million to fund a new FTE lawyers--

1663 Ms. MCCARTHY. That is correct.

1664 Mr. JENKINS. Okay, well--

1665 Ms. MCCARTHY. But I wanted to explain. EPA has shrunk
1666 its workforce significantly because of budget constraints.
1667 We are trying to hire to keep our work moving forward. The
1668 lawyers you are referring to are not specifically dedicated
1669 to rulemakings.

1670 We have identified that in order to serve the public,
1671 including the business community, that our ability to assess
1672 the legal viability of permits and other things, it is
1673 necessary to have more legal staff to be able--

1674 Mr. JENKINS. Less--you want more lawyers--

1675 Ms. MCCARTHY. --to get our job done in a variety--

1676 Mr. JENKINS. Well, I don't want to fund more lawyers to
1677 defend what I believe is the overreach and improper action.

1678 Last question.

1679 Ms. MCCARTHY. Yep.

1680 Mr. JENKINS. Yesterday I was stunned, stunned, you said
1681 "In the data we see, job loss is not a consequence of an
1682 environmental rule." "In the data we see, job loss is not a
1683 consequence of an environmental rule." So you are saying the
1684 actions of your agency and environmental rules have no impact
1685 on job losses?

1686 Ms. MCCARTHY. I do not know whether--what specific
1687 quote you are using but I indicated that we do a thorough
1688 analysis of costs and benefits for our major rules--

1689 Mr. JENKINS. Well, let me ask you just simply--

1690 Ms. MCCARTHY. --and I indicated that--

1691 Mr. JENKINS. --I know my time is up. Let me just
1692 simply ask you because I have got the audio for it and I
1693 would play it for the speaker right now. You said, "In the
1694 data we see, job loss is not a consequence of an
1695 environmental rule." And that, to me, showed an incredible
1696 lack of sensitivity and awareness and concern about the
1697 actions of this agency.

1698 Because if you go into your rulemaking process with an
1699 attitude nothing we do impacts jobs, then we don't care about
1700 jobs and I do. Thank you, Mr. Chairman. I yield back.

1701 Ms. MCCARTHY. You may want to listen to the rest of the
1702 conversation, sir, because we care deeply about economic
1703 implications and jobs. Care deeply about it.

1704 Mr. CALVERT. All right, we thank--we are going to take
1705 a short recess for approximately 15 minutes. We have some
1706 votes. We will be right back. Thank you.
1707 [Recess]

1708 Mr. CALVERT. The hearing will reconvene. Sorry for the
1709 absence. Mr. Joyce, you are recognized.

1710 Mr. JOYCE. Thank you very much, Mr. Chairman. Good
1711 afternoon, Administrator McCarthy, and I am sorry you had to
1712 wait for us.

1713 As you know, the Great Lakes Restoration Initiative or
1714 GLRI, has provided approximately \$1.96 billion towards
1715 restoration efforts since the initial year of funding in
1716 fiscal year 2010. In the current fiscal year, the GLRI
1717 receives \$300 million in funding. The President's fiscal
1718 year 2016 budget requests \$250 million for GLRI.

1719 Given that the EPA is the lead Federal agency in
1720 implementing and administering the GLRI, how is this proposed
1721 \$50 million decrease expected to impact the EPA's efforts to
1722 restore and maintain the chemical, physical, and biological
1723 integrity of the Great Lakes Basin ecosystem?

1724 Ms. MCCARTHY. First of all, let me thank you for your
1725 service on the task force, a significant amount of your time
1726 I know is spent here.

1727 There was some very difficult decisions that needed to
1728 be made in the budget, and I do recognize that any decrease
1729 will have to come with a prioritization among the agencies on
1730 what is focused on.

1731 I also recognize that this is an aggressive schedule of
1732 work to get done and a lot of needs. I think we will have to

1733 work with the agencies and also with the task force to make
1734 sure we are prioritizing resources effectively.

1735 Mr. JOYCE. It just does not make much sense to me that
1736 our President being from Illinois, a border state of the
1737 Great Lakes, initially this being one of his projects, and we
1738 realize the funding should be \$475 million, and last year it
1739 was 275, this year 250.

1740 We rely on the bipartisanship of this committee and the
1741 people who care about the Great Lakes to continue to come up
1742 with the funding. Obviously, they want to reprioritize that
1743 somewhere else because Secretary Jewell told us yesterday
1744 these budgets are set to their priorities, and I think the
1745 Great Lakes should be a number one priority. I do not think
1746 it is a lake or a series of lakes. I think it is a national
1747 treasure that we need to take care of.

1748 Ms. MCCARTHY. I understand your feelings.

1749 Mr. JOYCE. If the EPA is prepared and able to use GLRI
1750 funds if needed to support key actions to prevent Asian Carp
1751 and other invasive species from entering the Great Lakes from
1752 the Mississippi River Basin, for example, if funding of the
1753 Army Corps of Engineers in fiscal year 2016 is inadequate to
1754 move forward quickly with the development of near term
1755 measures at the Brandon Road Lock and Dam, would GLRI funds
1756 be provided to supplement their budget for this work?

1757 Ms. MCCARTHY. We could certainly talk through that with

1758 the task force.

1759 Mr. JOYCE. Let's move on to other parts of the Great
1760 Lakes, if I could, the algal blooms. Can you talk about what
1761 specific provisions you have within the budget request that
1762 will help the EPA prevent or respond to the contamination of
1763 drinking water from harmful algal blooms, such as occurred
1764 last summer in Toledo, Ohio?

1765 Ms. MCCARTHY. Yes. I do know the agency is actively
1766 looking at this issue in a number of different ways. We are
1767 looking at a cross agency strategy to identify and map where
1768 harmful algal blooms are already happening.

1769 We are taking a look at what source waters those harmful
1770 algal blooms might impact. We are taking a look at the
1771 treatment facilities at those source waters so we can make
1772 sure that drinking water systems are highlighted. Needs for
1773 upgrades.

1774 As you know, we have asked for a significant amount of
1775 state revolving funds to be able to support drinking water.
1776 For the first time in I do not know how many years, drinking
1777 water is actually a larger portion of the budget on SRF than
1778 wastewater, than clean water activities, because we need to
1779 address them.

1780 We are also looking at some guidance for individual
1781 communities on what the levels are they should be testing to
1782 and thinking about, and we are working with Congress as well

1783 | on a number of other initiatives that we need to undertake.

1784 | I think this is a new phenomenon and one that we are
1785 | getting our arms around, but we are trying to be as
1786 | aggressive as we can not just in responding to where the
1787 | blooms are happening but understanding what is the cause, and
1788 | getting at the root cause of those problems, which is very
1789 | complex in some areas.

1790 | Mr. JOYCE. Just this week, the House is trying to help
1791 | you by passing the Drinking Water Protection Act with my
1792 | support by a vote of 375-37, which in my two years around
1793 | this place is big numbers.

1794 | This bill would direct EPA to develop and submit to
1795 | Congress a strategic plan for assessing and managing risks
1796 | associated with cyanide toxins in drinking water provided by
1797 | public water systems.

1798 | What is the current status of those efforts to establish
1799 | national health advisory levels for both microcystin and
1800 | cyanide toxins?

1801 | Ms. MCCARTHY. Yes. We are looking at developing an
1802 | advisory now. As you know, when the incident in Toledo
1803 | happened, we were relying on the World Health Organization,
1804 | and the standards are advisories that they have. We think we
1805 | can do a better job at that and continuing to advance the
1806 | science moving forward. We are looking at that now.

1807 | The development of an actual water quality standard is

1808 something that I know folks are anxious about. It is quite a
1809 lengthy process. We need to just keep moving forward and
1810 provide advice and look at what we do with our states and our
1811 local governments moving forward.

1812 Mr. JOYCE. Thank you. I was wondering if I could yield
1813 some of my time to the distinguished lady from Minnesota if
1814 she had further questions.

1815 Mr. CALVERT. Actually, I was going to recognize her
1816 right after you.

1817 Ms. MCCOLLUM. I will under his time.

1818 Mr. JOYCE. Thank you. I yield back.

1819 Mr. CALVERT. Ms. McCollum?

1820 Ms. MCCOLLUM. Thank you, Mr. Chair. I do have a
1821 question, but I am going to do a little bit of a redirect. I
1822 am going to quote from the President of the United States.
1823 "No challenge poses a greater threat to future generations
1824 than climate change." When we take the President's words, I
1825 believe we should take them in the full context.

1826 As a member of the Defense Committee, I would also point
1827 out this is from the adaptation roadmap, climate change
1828 roadmap, Department of Defense. To quote the Department of
1829 Defense, page one of their climate change adaptation roadmap,
1830 "Climate change will affect the Department of Defense's
1831 ability to defend the nation and pose immediate risk to the
1832 United States' national security." There is a whole report.

1833 Another item I would quote from is from Navy Admiral
1834 Samuel J. Locklear, III, in an interview at a Cambridge hotel
1835 on a Friday in March, and this is 2013. He is talking about
1836 climate change. ''This is probably the most likely thing
1837 that is going to happen that will cripple the security
1838 environment probably more likely than any of the other
1839 scenario's we talk about.''

1840 Our military along with the President does realize that
1841 if we do not address climate change, for future generations,
1842 it puts us in a very, very dangerous place with our national
1843 security.

1844 Let's go back to today. We know you have a budget that
1845 is at 2005 levels, so this is not an extravagant budget or
1846 anything like this. It is at 2005 levels. I want to talk
1847 about 2005 levels and Brownfields, because this is not an
1848 extravagant budget.

1849 Brownfields' redevelopment benefits communities.
1850 Environmentally, we know it enhances our economic ability to
1851 grow, retain jobs, and create new jobs. I am pleased that
1852 you have \$110 million for Brownfields' grants.

1853 This is, to quote one of the other members, large. This
1854 is the largest Brownfields' request under this
1855 Administration, but here again, the total budget for the EPA
1856 is at 2005 levels.

1857 Here is my concern. There is an estimated 450,000

1858 Brownfields in this country, and the EPA with the funding
1859 that it has has the result of only 118 clean up's per year.
1860 This is a terrible rate, and you are working within the
1861 budget constraints that you have, but many of the states,
1862 communities and tribes that I work with and hear from all
1863 around the country, they are really eager to redevelop.

1864 This increase is a good start, but if we do not really
1865 jump start this, how do you envision the EPA to ever
1866 facilitate reducing this backlog in Brownfields and putting
1867 America's lands back to work for good American jobs for
1868 families?

1869 Ms. MCCARTHY. I think you are raising a very important
1870 question because our Brownfields' funds have been extremely
1871 important for economic development, not just in our urban
1872 areas but our rural communities.

1873 I think the challenge is that many of us spend a
1874 significant amount of our Brownfields' resources to do
1875 assessments and plans. It is carrying out the clean up
1876 efforts associated with those that are most challenging.

1877 That is why in fiscal year 2016 we are requesting a bump
1878 up of \$30 million to \$189.1, but a total of \$49.5 million has
1879 been requested to support approximately 150 state and tribal
1880 response programs, of which a \$1.7 million increase from
1881 fiscal year 2015 will be used to prioritize efforts to small
1882 and rural communities, as well as funding for new tribal

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1876 | efforts associated with those that are most challenging.

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1878 | up of \$30 million to \$189.1, but a total of \$49.5 million has
1879 | been requested to support approximately 150 state and tribal
1880 | response programs, of which a \$1.7 million increase from
1881 | fiscal year 2015 will be used to prioritize efforts to small
1882 | and rural communities, as well as funding for new tribal

1883 grantees.

1884 We are doing what we can, but you are absolutely right,
1885 the challenges are large, but we are trying to find ways in
1886 which we can coordinate our funding most effectively and not
1887 just identify the problems and solutions but bring them to
1888 the table.

1889 Ms. MCCOLLUM. Are you waiting for Mr. Rogers to come
1890 back are you getting ready to wrap up?

1891 Mr. CALVERT. I am going to ask a question, too.

1892 Ms. MCCOLLUM. I had another question because it comes
1893 up and is something I think we would all like to see solved
1894 and that is lead paint. We know how dangerous lead is. It
1895 affects every organ, it affects developmental abilities of
1896 our children. People want, to shorthand it, get the lead
1897 out. We do want lead to be removed from the environment in
1898 which our children are in.

1899 But there is so much confusion in the information
1900 surrounding the lead renovation, repair and repainting rule.
1901 There are testing kits, who can remediate lead. People are
1902 confused about it.

1903 If it were to be enacted, I think it would really impair
1904 your work to certify workers, to do training and outreach, to
1905 work with states in doing it.

1906 What the heck is going on with the lead kits? Are the
1907 lead kits safe to use? Do they really let you know what is

1908 going on? Quite frankly, I think if this is confusion, we
1909 need to end the confusion. We need to figure out how to stop
1910 this constant rider from popping up when I think there is
1911 consensus on both sides of the aisle. We do not want our
1912 children exposed to lead.

1913 How can you help us clear this up so these riders, and
1914 if they were to enact, I think would have an outcome that
1915 people would not want with our children being more exposed to
1916 lead.

1917 Ms. MCCARTHY. Ranking Member, I think everyone agrees
1918 that we need to address lead paint and we need to keep our
1919 kids safe. That is something I think we can all agree on.

1920 The agency did create some alternatives to help ensure
1921 that the lead renovation, repair and painting rule could be
1922 done and carried out in a cost effective way.

1923 There are now two currently available test kits. Those
1924 are an opportunity to screen so you can understand and a
1925 contractor can easily detect whether or not there is any
1926 opportunity for lead paint to be there so they can properly
1927 conduct their work.

1928 The second thing we did was we provided an alternative
1929 to collect paint chips, so they could then take it to an EPA
1930 accredited lab, which is also a cost effective way to
1931 understand and detect whether there is lead paint and then to
1932 subsequently make sure you are protecting kids as it is being

1933 removed.

1934 The third was you could hire a lead paint inspector.

1935 There is an x-ray florescent analyzer, which is something
1936 that can be brought into the home and easily detect where
1937 lead paint exists.

1938 We think we have provided a range of cost effective
1939 alternatives for implementing this rule, and we think it is
1940 extremely important for us to move on and provide stability
1941 here to the contractors that are trying to do the right thing
1942 and to families that are trying to protect their kids.

1943 Ms. MCCOLLUM. Does the rider shut down your ability to
1944 move forward with training, if it was to go on? My
1945 understanding is it takes us backwards.

1946 Ms. MCCARTHY. The ones that we are familiar with--I am
1947 hesitating because I do not know the exact one that might be
1948 on the table, but the ones that have been proposed in the
1949 past would preclude us from moving forward.

1950 Ms. MCCOLLUM. Would you provide us in writing those
1951 three alternatives and also where the EPA lead testing
1952 facilities are, or if someone can mail something in and what
1953 the cost would be to use the lab?

1954 Ms. MCCARTHY. Absolutely.

1955 Ms. MCCOLLUM. Thank you. Thank you, Mr. Chairman.

1956 Mr. JOYCE. Can I piggy back one question on
1957 Brownfields?

1958 Mr. CALVERT. Mr. Joyce.

1959 Mr. JOYCE. Can you tell us what plans you have to
1960 leverage that funding for Brownfields with states,
1961 municipalities, potentially private investors, for the clean
1962 up?

1963 Ms. MCCARTHY. We tend to almost always leverage our
1964 Brownfields' funds. If you will give me a second, I will see
1965 if I can identify the numbers.

1966 I guess I do not have it with me. I will follow up with
1967 you and let you indicate--the thing that we have done a study
1968 of, which may be of interest to you, is that when Brownfields
1969 have been redeveloped and also when Superfund sites have been
1970 turned over, we have some wonderful economics of what it does
1971 for the area in terms of economic vitality, what the
1972 subsequent investment is in that area and what it provides.

1973 I am happy to share that information with you, and I
1974 apologize that I do not have it on hand.

1975 Mr. JOYCE. No worries. I have seen it in my own
1976 district, and I would be glad to emphasize that to the people
1977 where the sites exist now as to how they could work in
1978 conjunction with you to clean those up.

1979 Ms. MCCARTHY. That would be great. Thank you.

1980 Mr. JOYCE. Thank you. I yield back.

1981 Mr. CALVERT. Everybody up here knows that I cannot have
1982 a hearing without bringing up California water. This is my

1983 opportunity.

1984 Ms. MCCARTHY. I want it noted that it was not me who
1985 groaned.

1986 Mr. CALVERT. Administrator, I am sure you are well
1987 aware that my home State of California is suffering the most
1988 severe drought conditions the West has faced in recent years.

1989 California's biggest water challenge is in Northern
1990 California where the rivers of the Sierra Nevada merge into
1991 the Sacramento/San Joaquin Delta, the hub of the state's
1992 water system.

1993 State and water projects draw supplies that travel
1994 through the Delta to provide for 25 million people, three
1995 million acres of agriculture, 750 different types of plants
1996 and animals, and California's \$1.7 trillion economy.

1997 Over the years, the Delta's ecosystem has deteriorated,
1998 and its 1,100 mile levy system is increasingly vulnerable to
1999 failure caused by earthquakes, floods, and other forces of
2000 nature.

2001 The decline of the Delta's ecosystem has led to historic
2002 restrictions in water supply deliveries, and it cannot be
2003 stressed enough the pressing need to improve California's
2004 water reliability.

2005 Absent a new course of action, we will have to steal all
2006 the water from Idaho. No, that is not the case.

2007 Who put that in?

2008 Ms. MCCARTHY. I wrote that down.

2009 Mr. CALVERT. Absent a new course of action, we will
2010 have an economic and environmental collapse in California,
2011 and that is true. In response to this need, Federal and
2012 state officials, water agencies, and other interested parties
2013 have undertaken comprehensive efforts to fundamentally and
2014 systematically improve both the state's water reliability and
2015 restore the Delta's ecosystem.

2016 This effort is the Bay Delta Conservation Plan. Today
2017 is the result of more than seven years of collaboration,
2018 scientific analysis, policy review, public input. The BDCP
2019 would simultaneously protect California's water supply,
2020 improve the Delta ecosystem, through what would be the
2021 largest ecosystem restoration project on the West Coast,
2022 remove pollutants, invasive species, other stressors harming
2023 the Delta environment, and create up to 17,000 jobs.

2024 More than 400 public meetings and briefing's have taken
2025 place over the past seven years, and in July of 2014 we saw
2026 the close of a 228 day public review and comment period on
2027 the draft BDCP and its associated environmental impact
2028 report.

2029 In August, your agency raised last minute concerns that
2030 have now delayed the progress in getting closure on a new
2031 course of action. This is very disappointing to all the
2032 stakeholders that have been participating for many, many

2033 | years.

2034 | Administrator, my question for you is does your agency
2035 | understand the urgency of the situation in the Delta, because
2036 | without the strategic investment in the Delta, the water
2037 | supply and ecosystem will continue to deteriorate and
2038 | jeopardize the delivery of safe, reliable drinking water to
2039 | 25 million people.

2040 | Is your agency actively working along with the other
2041 | lead Federal agencies, the National Marine Fisheries Service,
2042 | the U.S. Fish and Wildlife Service, and the Bureau of
2043 | Reclamation, to resolve the BDCP concerns in a timely manner?
2044 | We need to get this done.

2045 | Ms. MCCARTHY. Yes, sir, I do understand the seriousness
2046 | of the issue, and yes, we are working very closely with all
2047 | of the agencies engaged to make sure that the supplemental
2048 | draft EIS resolves some of the issues that have been raised,
2049 | frankly, not just by EPA but by many other agencies.

2050 | We are confident we can do that and we are at the table
2051 | in the most positive productive way we can be, and we will
2052 | stay there until we get these issues resolved.

2053 | Mr. CALVERT. I have heard from a number of critics, and
2054 | they felt somewhat that they have had this open process for a
2055 | number of years, EPA has been at every single meeting, they
2056 | thought everything was merrily going around, and then all of
2057 | a sudden, they felt the rug ripped from underneath them, and

2058 | it just kind of halted progress on something that is
2059 | significantly important to the State of California.

2060 | Ms. MCCARTHY. It is not often that the agency sees the
2061 | lead agency developing an EIS, a draft EIS, to agree that a
2062 | supplemental was necessary. I do think it was not just EPA
2063 | but other agencies that identified there were some gaps in
2064 | the data or in the systems.

2065 | I will make sure that the agency offers no surprises
2066 | moving forward. We want to be at the table and we want to be
2067 | participating. I think our region out there feels like they
2068 | have been doing that all along, but if there is any question
2069 | of that, you can be assured that I will be watching it as
2070 | well.

2071 | Mr. CALVERT. Thank you. Mr. Simpson?

2072 | Mr. SIMPSON. Thank you, Mr. Chairman. Just for the
2073 | benefit of my good friend from Minnesota, the Ranking Member,
2074 | I just wanted you to know that one of our other Admirals
2075 | said, the Chairman of the Joint Chiefs of Staff, Admiral
2076 | Mullen, said the biggest threat this country faces is the
2077 | debt and deficit that we currently have.

2078 | That is the challenge that we face, you know. We can
2079 | all point out issues that need to be addressed. The question
2080 | is how do you get the money and so forth to do it, which
2081 | addresses this budget overall, \$71 billion, I think, above
2082 | the budget caps.

2083 Let me ask you about three questions that deal with this
2084 budget. The fiscal year 2014 omnibus included directives to
2085 the EPA to solicit comments from the states and stakeholders
2086 and update the air modeling tool, CALPUFF, and the cost
2087 manual, which are the two components that factor into EPA's
2088 decision on regional Haze regulations.

2089 Can you update me on steps the EPA has taken to update
2090 this modeling tool and the cost manual?

2091 Ms. MCCARTHY. I am sorry. I do not have all the
2092 details on that. I certainly remember from the time that I
2093 was the AA for Air that we started on both of those projects
2094 moving forward. I know we have been working hard on the cost
2095 manual in particular, but if it is okay with you,
2096 Congressman, I am happy to send you back an exact status on
2097 both of those.

2098 Mr. SIMPSON. Okay.

2099 Ms. MCCARTHY. As soon as I can.

2100 Mr. SIMPSON. Secondly, the budget removes the Fiscal
2101 Year 2015 appropriations language, applying by American
2102 requirements for iron and steel used in EPA drinking water,
2103 state revolving fund projects. The Aderholt-Visclosky
2104 amendment. Why? What are the problems that that presents?

2105 Ms. MCCARTHY. I will let David approach this.

2106 Mr. BLOOM. We traditionally exclude language added by
2107 Congress such as that.

2108 Mr. SIMPSON. I am not sure that is the answer you want
2109 to be giving. I understand. I understand.

2110 But I suspect that there will be efforts to, and
2111 probably successful efforts to put the language back in. And
2112 I understand that it causes some challenges because there are
2113 some things that are difficult to get from America and so
2114 forth, and you have to exclude them and all that kind of
2115 process. But I understand that. But that, I am sure, will
2116 be an effort of the Committee.

2117 The other thing, your budget assumes a relatively flat
2118 workforce, but it does shift some employees around. The
2119 budget proposes shifting or creating 65 new FTEs for
2120 greenhouse gas regulatory work and 24 FTEs that are attorneys
2121 to assist the legal and regulatory needs. Really?

2122 Ms. MCCARTHY. Actually, these are not litigation
2123 attorneys. Again, these are attorneys that we feel we need
2124 to properly do our core work. There is a legal review of
2125 permits when they go out. There is a legal review of plans
2126 that need to be approved by the agency, and we have heard
2127 from states over and over again, as well as many of you,
2128 about getting quicker in terms of the work we do. We have
2129 been doing an exercise within the agency to look at our
2130 decision-making processes and find where we need to add
2131 resources so that we can be assured of getting them done in a
2132 quicker way, and many times it is because our attorneys are

2133 not available and focused on some of these key deliverables
2134 that we need for the business community and our states. We
2135 are trying to do what we are supposed to do, Congressman,
2136 which is to expedite things like this so that we can show
2137 that we are working effectively and efficiently. It is a
2138 switching of resources. But remember, I cut down the FTEs in
2139 the agency considerably. We had in excess of, I think,
2140 18,000 staff at one time. You know, I am down in the 14,000s
2141 trying to work my way back up to the 15. So I am trying to
2142 do everything I can to expedite. And when I say that I need
2143 resources from the attorneys, it is because it is where we
2144 see the roadblocks happening and where we see the shifts, not
2145 because we are using them for added litigation purposes.

2146 Mr. SIMPSON. Well, you have been successful. You are
2147 back up to 15,000 now, 15,034.

2148 Ms. MCCARTHY. Well, that is what we can--that is our
2149 ceiling that we are looking at. It is not where we are
2150 hiring.

2151 Mr. SIMPSON. But you can assure us that if we allow the
2152 shifts to occur, and you get the 24 attorneys and 65
2153 greenhouse gas regulatory people working in that arena, that
2154 we can speed up the permitting process and you will be able
2155 to demonstrate that next year when you come back?

2156 Ms. MCCARTHY. We will give it our best shot. I do
2157 believe it. And I think we have already--we will be able to

2158 | show some really added expedited scheduling for what we do
2159 | just working with the states and making things work. I am
2160 | trying not to ask for more people. I am trying to be able to
2161 | shift resources effectively to where I see efficiencies can
2162 | be had.

2163 | Mr. SIMPSON. And one final question if I could, Mr.
2164 | Chairman, and that is your budget proposes, during a time
2165 | when we have asked for the third highest EPA budget in
2166 | history, which is what this budget request would be, proposes
2167 | to reduce the Clean Water State Revolving Fund by \$333
2168 | million and increase the Drinking Water State Revolving Fund
2169 | by \$297 million. So there is a net decrease of funds in the
2170 | State Revolving loan funds. And I have got to tell you, and
2171 | this sounds strange when I am worried about the deficit, I
2172 | think one of the biggest challenges we face in this country
2173 | now is the infrastructure, the water and sewer
2174 | infrastructures of this country. They will tell you, the
2175 | engineers, there is like a \$700 billion backlog out there.
2176 | What we put in at the federal level, plus what the states add
2177 | to it and local communities and that kind of stuff, means
2178 | that if we kept doing that, at this rate we could address the
2179 | backlog that exists in about 150 years. That is the backlog
2180 | that exists today, or 100 years. Somehow this agency, I
2181 | think, needs to be at the forefront of deciding how we are
2182 | going to address that need because the state revolving loan

2183 funds, while a great idea when they started, are insufficient
2184 to address the need that exists out there. Would you agree
2185 with that?

2186 Ms. MCCARTHY. I think that we see ourselves facing more
2187 and more of a backlog of work that needs to get done.
2188 Specifically, I know that the backlog on the drinking water
2189 is probably \$348 billion, and the need on the clean water SRF
2190 is \$298. I think it's clear that the SRFs are not the only
2191 tool that we need to bring to the table. So we are also
2192 standing up that new sender that is going to look at water,
2193 infrastructure, and resiliency financing, because we need to
2194 bring public-private partnerships to the table. The private
2195 sector benefits as much as we do when you look at how much
2196 water the private sector utilizes. And I am not suggesting
2197 that we do not want them to have it; just that we cannot
2198 always rely on public sector funds to get this done, even
2199 though we do our best to leverage those funds. And I also do
2200 not want you to think that the rest of the agency is growing
2201 while the SRF is staying more stagnant than you would like.
2202 I realize that when you look at it dollar for dollar, you may
2203 be looking at the third largest budget, but if you look at
2204 this, it does not adjust for inflation at all. And if you
2205 look at our 2016 total budget, if you adjust it for
2206 inflation, it becomes the ninth largest over the last 12
2207 years. And you know what has happened over the last 12

2208 years. The requirements for EPA and the responsibilities we
2209 have been given by Congress over the last nine years have
2210 been considerable. So we are looking at the new challenges.
2211 We are looking at the new contaminants and the new challenges
2212 we are seeing moving forward. And this is not a budget that
2213 I think is overly inflated in any way. And in fact, I think
2214 it is a reasonable approach to trying to get us on a
2215 trajectory where we can do what Congress gave us to do in a
2216 responsible and efficient way.

2217 Mr. SIMPSON. Thank you. Thank you for being here today
2218 and for your testimony and putting up with our votes in the
2219 middle of it all.

2220 Ms. MCCARTHY. That is quite all right.

2221 Mr. SIMPSON. Thank you, Mr. Chairman.

2222 Ms. MCCARTHY. Thank you for the opportunity.

2223 Mr. CALVERT. I thank the gentleman. And we certainly
2224 thank you, Administrator McCarthy, for coming here today.

2225 I am sure there are a number of other questions that
2226 need to be answered for the record, so we will keep the
2227 record open for five days. And we look forward to your
2228 timely responses to those questions.

2229 Ms. MCCARTHY. Thank you so much.

2230 Mr. CALVERT. And we will need to work together to find
2231 out what your priorities are as we move forward because,
2232 obviously, your budget request is not the budget we will be

2233 working under, so.

2234 Ms. MCCARTHY. It would be my pleasure to continue the
2235 conversation. Thank you.

2236 Mr. CALVERT. So we will be getting our allocations, I
2237 suspect, late March, early April. Yeah, so we will have to
2238 meet again after that and find out how we are going to
2239 approach all of this.

2240 But with that, again, thank you for your courtesy, and
2241 we are adjourned.

2242 [Whereupon, at 3:00 p.m., the Subcommittee was
2243 adjourned.]

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